The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

September 17, 1938

Halt Censorship!

AN EDITORIAL

★

Gunther Views Hankow

★

Europe's War Menace

★

China at the Youth Congress

BY KEN EASTERLY

★

Goodbye, Peiping!

BY S. T. HSIEH

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Hundreds of subscribers, who were forced to leave their homes because of the war situation, have been unable to return and in many instances, have been compelled to establish temporary or permanent residences elsewhere.

As a result they have been unable to receive copies of **The Review** mailed to their normal addresses.

In all cases these back copies have been retained in the office pending receipt of instructions as to new addresses.

Subscribers would thus confer a favor if they would notify this office of their present addresses, with instructions as to methods of routing the paper so as to assure delivery, particularly in Central, West and Northwest China. Mail deliveries between Shanghai and such points as Hankow now require a minimum of 8 to 10 days.

What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

More on Japan Boycott

The Editor, *China Weekly Review*:

Chinese students from various parts of this country, assembled at their summer conference in Chicago, July 1 to 4, 1938, under the auspices of the Chinese Students' Christian Association in North America, to address this open letter to American fellow-Christians and friends of China.

Our country is today engaged in a life and death struggle against Japan for the preservation of our national independence and the maintenance of international law and justice. As Chinese students studying in this country, we are deeply concerned with the great crisis facing our beloved homeland and we have come together with the solemn purpose of strengthening our understanding of the present situation in the Far East and deepening our sense of sharing with the suffering but heroic millions in China in the struggle for freedom.

After a careful review of the developments in the year-old undeclared war between China and Japan, we find that

1. There is no indication of an early restoration of peace between the two countries involved;
2. China is determined to fight to her last man for her national independence;
3. Japanese militarists have repeatedly declared their purpose of continuing the war until the whole of China is brought into subjection;
4. In pursuance of this avowed purpose, Japanese militarists have been receiving assistance in the form of munitions and raw materials essential to war industries from the great democracies of the West, particularly the United States of America.

In view of these findings, we, Chinese Christian students, realizing the importance of maintaining respect for international law and justice, call upon all Christians and friends of China in this country to give earnest consideration to the following points:

1. To put a stop to the sale of war materials to Japan;
2. To embargo credit or loans to Japan;
3. To refuse to add to the war funds of Japan by not buying or selling goods made in Japan.

We sincerely believe that these measures, even though they might create a certain amount of suffering for innocent people both in this country and Japan, will quickly bring the war to an end and compel Japan to settle her difficulties with China by peaceful means.

W. H. Florence Chen, Chairman of Conference
T. W. David Toong, President of Chinese Students' Christian Association
Y. E. Hsiao, General Secretary
New York, August 14, 1938.

Prayers for China

The Editor, *China Weekly Review*:

A few days ago a general letter issued by the Theological Seminary, Changsha, calling the nation and the Christians of the world to pray for China was placed in my hands. This letter is supposed to have been inspired by a distinguished Chinese official. The content of the letter is a call to the Christians of all faiths to set apart last Thursday, September 1st, as a day of fasting and prayer for the Chinese nation at this the most critical time in the long history of China, perhaps. The letter also requests that all Christians set apart each succeeding Thursday from September 1st until the time an armistice is signed between China and Japan, as a time of special prayer in the churches and homes for the nation.

This writer finds himself in very sympathetic agreement with this fine sentiment and wishes to urge upon all Christians in Shanghai and in every other place to earnestly pray for China throughout today and also to remember to do the same on each succeeding Thursday until peace with honor comes to this distressed but brave land.

Rev. W. H. Turner

Shanghai, September 8, 1938.

Anna May Wong Writes

The Editor, *China Weekly Review*:

I have had so many kind compliments from people in Shanghai on my work in "Daughter of Shanghai," that I hope you will allow me to express my gratitude through your columns. I was most fortunate to have with me Philip Ahn who is a most conscientious actor. Although it did not offer me a great opportunity for acting, the important factor is that it turned the trend against making all Chinese mysterious and sinister.

The new picture for me, "King of Chinatown," has a wonderful part of a Chinese woman surgeon (that is, if they adhere to the original story.) I was most enthusiatic and happy when I first heard the story, and thought it would be one of the best parts I have ever had.

All the Chinese have been wonderful in the United States raising funds for war relief. It seems this brutal invasion has not only unified the Chinese in China, but also the Chinese abroad, to work toward one common cause.

Anna May Wong

Hollywood, August 12, 1938.

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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About "Sok" Sokolsky

The Editor, *China Weekly Review*:

It has been well said that nobody can fool all people all the time. That seems to be the ultimate fate of international propagandists. That propaganda and propagandists play an important part in international relations today is a foregone conclusion. I do not think it is exaggerating to say that China has suffered irretrievable losses from anti-Chinese propaganda and propagandists since the war.

In your issue of Aug. 27 the editorial on George E. Sokolsky is very interesting. Besides the detailed information on his rise to fame and fortune I discover in the editorial for the first time that Sokolsky's second initial E stands for Ephriam. If my memory is still good, George E. Sokolsky went to the United States in 1931—as a celebrated authority on Chinese affairs. And, Americans fell, and still fall, for him and his authority. Under the name of George E. Sokolsky, this new authority on China wrote a book, entitled "The Tinder Box of Asia," which was dedicated to his Chinese wife. What is in the book I need not go into details. Suffice it to say it is none too friendly to China in view of the outbreak of the Mukden Incident.

Your editorial gives me a strong impression that George E. Sokolsky is not only author, lecturer and propagandist, but an opportunist and adventurer with his mouth and pen as his chief weapons. It seems so strange to me that responsible leaders in both China and America are "sold" on his ideas and schemes. So I am incliued to think Sokolsky is a crack salesman, but what he sells is quite another question. For what he is after is not truth on facts but fame and fortune wherever he can get it. His varied journalistic career connects his name with the *Russia Dai'y News*, the *China Weekly Review*, the *North China Star*, the *Shanghai Gazette*, the *Journal of Commerce*, the *North China Daily News*, the *Far Eastern Review*, the *Japan Advertiser*, etc. How he ever bluffed all his way through is beyond my understanding!

You will, I think, agree with me that China is in miserable lack of of adequate publicity abroad. Someday in the not too distant future I believe China will politely ask all anti-Chinese speakers and writers to pack up and go home. Obviously, China cannot allow any foreigner to get rich at the expense of China's national progress and international friendship.

Shanghai, Sept. 5, 1938. LIVE AND LET LIVE.

Longshoremen to Strike

The Editor, *China Weekly Review*:

Interesting to Americans and other foreigners living in the Far East is a report here from reliable sources that the Pacific Coast longshoremen are getting ready to strike and refuse to load airplanes, airplane parts, auto trucks, oil, aviation gasoline, scrap iron and other war supplies to Japan. This may start after the new contracts become effective, September 30. They are up in arms and want direct action to cripple the Japanese. If the government does not enforce an embargo, they will take action themselves.

It was my fortune to attend the California State C10 convention in Los Angeles August 19 when an embargo resolution was passed. The AFL (American Federation of Labor) is behind this action, too. The Far East may expect to see nation-wide action this autumn.

Los Angeles, August 20, 1938. E.H.L.

"A Rose by Any Other Name . . ."

The Editor, *China Weekly Review*:

The world is but a stage and, according to the Chinese press, the appearance on the scene of Japanese-fostered Chinese officials is literally a farce that has excelled the works of Aristophanes. I say, literally, because all those who take part in the new regimes have, as a whole, earned the appelation of puppets and their actions are reported in print as if a Punch and Judy show were being enacted at a street corner. There is more than poetic justice in all this.

Any one, whether high or low, engaged in the activities under Japanese sponsorship is rightly called a traitor or, to be exact, a Chinese traitor (*han chai*). But to call a spade a spade when it does not acknowledge itself to be a spade, is to miss the joy of understanding and the literarily inclined Chinese are fully aware of the limitation of the nomenclature. So they employ figurative speech, calling this type of traitors puppets. Whenever these characters are reported or discussed, they bear the title or subtitle "puppets," although figurative speaking is used sparingly in journalism.

The word "puppet" or *kwei lai*, somewhat like the opposite, "dictator," has had the fortune of being increasingly used since Mr. Henry Pu Yi was enthroned by the Kwantung Army. Not that the word has become a vogue as "colorful" and "gargantuan" recently have, but it has had to appear frequently owing to the presence of three more bogus regimes under the Japanese aegis in addition to the so-called East Hopei Autonomous Government.

When the officials of a new regime or even of any small occupied city were sworn into office before the mundane representative of Satan, they were reported in Chinese vernaculars to be staging an ugly pageant or "entering on the stage." In other words, a puppet show was enacted. Since then they have won from reporters and headline-writers the title "new officials" or *sin kwei*, used in the same sense as *nouveaux riche* is used in western society.

The Chinese press has gone into detail to describe the farce. These *nouveaux officiaux* appeared on the political stage, it says, "in make-ups." And they did. Didn't Wang Keh-min wear a pair of large black spectacles, smiling apishly at the audience and his fellow puppets,—or at himself?

There are quite a few more terms the puppets have gained from the undefected press. But I want to introduce only one more phrase here. The puppets are said "to have adopted a thief as their father,"—*ning shih cho fu*. Is there any more picturesque language to describe the situation?

A. B. Chinese

Shanghai, Sept. 13, 1938.

No Ax to Grind

The Editor, *China Weekly Review*:

The new cover design of the *Review* is widely acclaimed by your readers. It starts with a bang, for it attracts attention. What an advertising value! No wonder the *Review* is selling like hot-cakes.

But this is only a part of the story. Many intelligent Chinese read the Review not simply because of its attraction cover but because of its intrinsic value. I do not think any other periodical on the Far East can beat the *Review*. Well, why?

First, I believe the *Review* has no ax to grind. Every issue is packed full with reliable and unbiased news during the week. Second, it represents the highest type of American journalism—truth and justice. It does not hesitate to expose what is legally and morally wrong in international affairs. And, lastly it contains editorials and article that are not only clear and informing but intelligent and fearless.

Three cheers for your past record and future success.

G.S.Y.

Shanghai, Sept. 9, 1938

About Shanghai's Chinese

The Commentator, *China Weekly Review*:

During your broadcast on Friday last (9th September) you stated that "China will fight to the last man." Are we to understand from this that the many thousands of able-bodied Chinese at present sheltering under foreign protection in Shanghai are to be enlisted at last? So far, their loyalty and patriotism is summed up in the waving or hoisting of the National flag whenever opportunity offers. Meantime, many of them, especially the rich ones who appear to be fairly numerous these days, may be seen almost nightly at the various cabarets in the Settlement and French Concession. Is it a peculiar trait of the Settlement Chinese that they seemingly care so little for their Country's welfare, to the extent of "hiding out"—for that is what they appear to be doing.

One of Your Admirers.

Shanghai, September 11, 1938.

密勒氏評論報

The China Weekly

REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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KAILAN TO INCREASE OUTPUT TO SATISFY JAPANESE

THE Kailan Mining Administration, British corporation, largest coal producing company in China, has decided to increase its annual output from 5,500,000 tons to 6,500,000 tons, according to action of the Board of Directors in London.

Col. E. J. Nathan, chief manager of the company, cabled the foregoing information to the Japanese authorities in Tokyo on Sept. 10, according to a *Domei* report from the Japanese capital. The Kailan Coal Marketing Company, a recently organized Japanese subsidiary of the Company, announced simultaneously that it would increase its purchases from 1,700,000 tons to 2,500,000 tons (metric tons) next year.

Col. Nathan went to London several weeks ago, following an extended conference with the Japanese Army authorities in North China and with Japanese officialdom and industrialists in Japan. While in Japan he arranged contracts with the recently-organized iron and steel trust whereby the Japanese were given the privilege of purchasing large quantities of Kailan coal, leading eventually to absorption of the company's complete output.

According to a report in the *Yomiuri Shimbun* (Sept. 9), the directors of Kailan, at the recent meeting in London, voted to invest fresh capital in the operations, equivalent to about Yen 5,000,000, thus enabling the company to increase production beginning next year.

Shinkyo Nakamatsu, head of the Japan Iron Manufacturing Company, who is president of the Kailan Coal Sales Company, and also a recently-elected director of Kailan, said that Kailan in future would be closely related to the iron manufacturing industry of Japan as a major supplier of coal for coking purposes.

Mr. Nakamatsu said the present cooperative arrangement with Kailan constituted the successful culmination of efforts to induce foreign capital, particularly British capital to cooperate with Japan in North China. He said, "It is a manifestation of Britain's realistic diplomacy."

Mr. Nakamatsu might have added that this "realistic diplomacy" had its beginning at Mukden late in 1931 when the British and Chinese Corporation surrendered operative control to the Japanese Army, of the profitable Peiping-Mukden Railway, which had constituted for many years a chief source of income to the well known British firm of Jardine, Matheson and Company.

The Kailan Administration works the rich Chinese coal beds between Tientsin and Shanhaikwan. Previously the Kailan Administration was the chief supplier of coal to the Shanghai market, but owing to Japanese pressure it agreed to reduce supplies to Shanghai in order to furnish coal to the expanded war industries of Japan. As a result Shanghai has suffered a coal famine with prices here jumping from $10 to $15 a ton to $45 and $50 a ton making it practically impossible for many industrial establishments to function. Public utilities in Shanghai have been forced to increase prices for their services as a result of increased fuel costs.

A *Domei* report this week forecasted even higher coal prices for Shanghai, stating that dealers were planning increases of at least $2 a ton, effective immediately. Owing to the diversion of coal to Japan, Shanghai public utilities as well as industrial establishments have been compelled to purchase coal in British India. An indefinite continuation of the present Japanese policy—in which the Kailan Administration has concurred—will lead to the early paralysis of industrial Shanghai, the Japanese warlords having discovered a more deadly way of killing the industries of this city even, than by bombing them out of existence.

Exorbitant prices for coal will cause untold distress in Shanghai this winter among the thousands of refugees and poorer classes of the population, including a considerable section of the foreign community, particularly the Russians.

At the time of the outbreak of hostilities in North China last year, Japanese Army officers announced their intention of "taking over" Kailan, but later a cooperative arrangement was entered into whereby Kailan cut down its Shanghai supplies in order to satisfy the demands of Japanese war industries.

The Japanese subsidiary, known as the Kailan Coal Marketing Company, has been given a monopoly of coal sales in Japan and Japanese-occupied areas in North China.

Several thousand Chinese employes of the Company went on strike when the officials of Kailan made a deal with the Japanese last year, but the strike was suppressed by the Japanese Army which sent a regiment of troops into the Tangshan district where most of the mines are located.

The Kailan Mining Administration was formed at the time of the Boxer uprising in 1900 by Herbert Hoover, then a young mining engineering graduate of Stanford University, who was serving as adviser to the Chihli (Hopei) provincial government. The Chinese object in turning over control to Young Hoover was to prevent the Japanese or Czarist Russians from seizing the properties. Hoover obtained capital in England and formed the Kailan Mining Administration, one of the most profitable mining ventures in the world. For more than a third of a century the company enjoyed a practical monopoly of coal supplies to the industrial centers at Tientsin and Shanghai.

STOP THE CENSORSHIP OR OPEN INDEPENDENT POSTOFFICES!

THE action of the Japanese Army in Tientsin in banning the circulation—through the Chinese Post Office—of the *Peking and Tientsin Times*, well known British newspaper, should constitute the "last straw" so far as evidence is concerned with respect to Japanese interference with the normal, elementary treaty rights of foreigners in China.

Foreign diplomatic and consular officials have been collecting information on this subject for a considerable period and recently lodged a strong protest with the Japanese authorities.

In one case of seizure of copies of an American magazine by the Japanese military censors at Peiping, when an official of the American Embassy made inquiry about the matter the Japanese official replied, "The paper was confiscated because it published anti-Japanese articles!"

In the case of the *Peking and Tientsin Times*, the Japanese Army apparently banned the paper because it published an expose of the sinister Japanese scheme to evacuate the foreign concessions at Tientsin—a scheme apparently formulated by some moronic Japanese army officer with the double object of intimidating the authorities of the British and French Concessions and at the same time, "making a show" of Japan's readiness to cooperate with Hitler on the European front.

As everyone has known all along, Japan's cooperation with Hitler and Mussolini would probably not extend further than seizure of British and French concessions and other properties in China, similar to the the situation in the World War when the Japanese took advantage of their alliance with Britain to seize the German concession at Tsingtao and other German interests in Shantung province.

As mentioned in a previous discussion of this subject in *The Review*, the Powers, but particularly the United States, have two ways out of the present difficulty. If the Japanese refuse to cease their interference with the mail, then the United States should do one of two things immediately :—

1—Ban all Japanese propaganda publications from the U. S. Mail until such time as the Japanese discontinue interference with American mail in China.

2—Resume operation of the U. S. Postal Agency, which was discontinued following the Washington Conference when the Powers (including Japan) agreed to grant China postal autonomy.

As the resumption of foreign postal agencies in China, would require congressional sanction, so far as the United States is concerned, the first of the two suggestions probably would be equally effective in bringing the Japanese warlords to terms. As we make this statement, we have before us a 20-page expensively printed roto-gravure supplement of the *Osaka Mainichi*, entitled "New Era in China Under Old Flag," more than a million copies of which were shipped to the United States for circulation throughout the country in an attempt to influence American opinion in favor of Japan.

Since a special committee of the United States Senate has been investigating "un-American" activities, one wonders why more attention has not been given to the circulation of Japanese propaganda in the United States designed to mislead American citizens regarding Japan's open violation of treaties which concern the welfare and security of the United States and its citizens in this part of the world.

We see no logical reason why the Japanese should be permitted to circulate their propaganda pamphlets, books, newspapers and magazines in the United States, while at the same time interfering with the private mail and cables of American citizens in China, even to the extent of detaining, disfiguring and even destroying copies of American publications issued either in China or in the United States and addressed to subscribers residing in this part of the world.

The State Department has taken a strong stand on the matter of Japanese seizure of private property and goods belonging to American citizens in China, demanding its immediate return to the rightful owners. The action of the Japanese warlords in interfering with the mail and cables of American citizens and censorship of publications constitutes a more serious interference with private property and generally recognized human rights, even than the Japanese bombing or seizure of an American-owned college, hospital or grocery store, in the course of military operations.

Recently much has been said in the United States about the preservation of democratic institutions against the attacks of reactionary German and Italian fascists. The State Department has even fostered radio programs broadcast to South and Central American nations to offset Nazi and Fascist propaganda, and more recently there was the announcement of the appointment of Dr. Ben M. Cherrington of the University of Denver, who will head a department of cultural relations in the State Department. It will be Dr. Cherringtons's duty to "disseminate abroad the representative intellectual and cultural work of the United States," in other words to attempt to offest the blatant propaganda from Italian and German sources which has been flooding Latin America.

In view of Japan's wholesale suppression and destruction of the press and education in China and her attack generally on all Chinese instituation which showed promise of democratic development, and her recent broadening of reactionary policies to include the works and activities of foreigners in China, it seems strange that no one has called the attention of the officials of the State Department to the far greater manace to democracy which prevails here as a direct result of Japan's activities, than the attack on democratic institutions in South America to which so much attention is now being paid.

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JAPANESE CENSORSHIP

Japan Chronicle

"Domei," in a report on the decline in the suppression of newspapers, magazines, books and other Japanese publications, remarks that the censors are having an easier time because publishers are so careful. In February in the area within the jurisdiction of the Metropolitan Police, 51 publications were banned. In March the number fell to 39, and in April to 34. In May—coinciding with the Cabinet changes—there were 58 suppressions, but the number fell again in June, when only 26 papers and magazines fell foul of the censor. No figures have been released, we believe, relative to foreign publications. But the *Chronical* yesterday received a book posted in New York in May 1936. It had been held up by the censor, according to a stamped notification on the wrapper, and after over two years' examination it was apparently decided that there was nothing objectionable in it. The book is James Allen's "The Negro Quesion."

New German-Manchukuo Trade Agreement to Be Signed

Signing of a newly-concluded German-Manchukuo Trade Agreement was to take place in Hsinking Sept. 14, Dr. Karl Knoll, German Charge d'Affaires in Manchukuo, and Mr. Tsai Yun-sheng, director of the Foreign Affairs Bureau, acting on behalf of their respective governments. The new agreement consists of three groups of documents : an agreement regarding trade relations and payments between Manchukuo and Germany ; detailed provisions regarding the enforcement of that agreement, and official notes exchanged between the two countries in connection with their trade business.

It is understood that under the new agreement Germany will purchase Manchukuo products up to Yen 100,000,000 worth a year while Manchukuo will import German goods up to the value of Yen 20,000,000. In addition to these, further trade transactions on an equal basis may be conducted by the two countries. The contents of the new agreement are expected to be revealed Wednesday evening. The agreement went into force on June 1 when the old German-Manchukuo Trade Agreement expired.

"BLOOD-ALLEY" PROPERTY NOT OWNED BY FRENCH ORDERS

THE *China Weekly Review* published on Sept. 10, an editorial dealing with conditions prevailing in the so-called "Blood-Alley" section of the French Concession. The district fronts on Avenue Edward VII and is bounded by the Rue Chu Pao-shan, Rue du Consulate and Rue Petit. Rue Chu Poa-san, one block long, connecting Ave. Edward VII and Rue du Consulate, is almost completely occupied by bars cabarets and the same situation applies to the property fronting on Avenue Edward VII. There are 17 low-class bars and cabarets in the district, all catering to the "sailor" trade.

In our previous reference to the "Blood-Alley" district, the statement appeared, "Although the facts about the ownership of the bars, resorts and narcotic-joints in this district are not known, it has been alleged that the real owners of most of the real estate and buildings are some of the French Catholic Orders".

The *Review* is now in receipt of a letter from the Procureur de la Mission du Kiangnan, with offices at No. 36 Rue Montauban, French Concession, stating that none of the property in that area is owned by the French Catholic Orders. The letter from the Mission stated that its members were in sympathy with our efforts to do away with the shameful conditions prevalent in that part of the city.

It now developes that the property on both sides of Rue Chu Pao-shan, almost entirely occupied by bars and cabarets is entirely owned by the E.D. Sassoon real estate interests, and was formerly operated on long lease (probably 30 years) by a concern listed in the Hong Book as "Credit Franco-Chinois", with offices at No. 34 Avenue Edward VII. This firm, containing Chinese and French interests, was previously controlled by the late Chu Pao-san, well-known Chinese businessman, but since his death has been controlled by his son-in-law, Wei Ding-young, who is well known in the French Concession. The "Blood-Alley" district is now handled by the office of Marcel Darre, listed on Page 98 of the Hong Book as a French land and estate agent.

In our previous discussion the suggestion was made that the French authorities should take action to close the low-class bars and resorts in this district and convert the area into a retail district—something which probably could be accomplished now in view of the Japanese domination of the Hongkew and Yangtszepoo districts and consequent evacuation of most of the retail establishments in that area to other sections of the foreign settlements located "south of the Creek".

Will Japan Hold Out?—An Appraisal of the Sino-Japanese Conflict

BY JOHN GUNTHER

(Reprinted from The Nation, N. Y., for Aug. 13)

ON the surface it seems that the Chinese struggle is reaching some sort of climax in the present battles in the Yangtze Valley. If the Japanese take Hankow, as they probably will, despite the heroic quality of Chinese resistance, they will hope that the Chinese will surrender. But the Chinese won't, any more than they surrendered after the loss of Nanking in December. On the other hand, I think it highly unlikely that the Japanese will blow up, fade away, or otherwise make a Chinese victory possible in the near future. More and more it looks like a stalemate, a deadlock, with both armies pinioned together in indecisive conflict. If this stalemate should persist, the eventual result will almost certainly depend on two things—morale and supplies. Therefore it is useful to summarize the position of both China and Japan with regard to these factors.

I must admit that I have been a little shocked, on returning to America after visiting Hankow and Tokyo, the two war capitals, at the amount of wishful thinking here. Almost everywhere people hope that China will win—so do I—and because they hope so they proceed to *assume* that China will win. China may very well win if the war lasts long enough and if a given set of circumstances occurs, but it is sheer blindness, ostrichism of the most dangerous sort, to think in terms of a complete Chinese victory soon. I don't like wishful thinking. And I think it is bad tactics and bad strategy to underestimate your enemy. Even if it sounds like defeatism, it may be worth while to outline some of the Chinese difficulties.

People say that 60 million people cannot conquer 400 million people. That is dubious. Sixty million people can easly conquer 400 million people, provided that the 60 million have arms and supplies, and the 400 million haven't. People say that the Japanese are hopelessly bogged down in China. They are certainly facing greater difficulties than they anticipated, and they are certainly months behind their schedule, but I don't think that they are really bogged down. And people say that there will be a severe economic crisis in Japan, with possible consequent social revolution, if the war lasts much longer. This is possible, but I do not think it is likely for a year or two. The catch is, how much longer is "much"?

A few months ago in Hankow the man who is as much entitled to an opinion as anyone in China told me that the result of the the war depended on supplies. At present the Chinese have four possible routes of supply:

1. The railway from Hongkong (Kowloon, to be precise) and Canton up to Hankow. This is the main route. I believe that at least 80 per cent of Chinese munitions comes by this route. Of this 80 per cent, incidentally, a very considerable proportion come from Germany. This is a totalitarian paradox of a most peculiar species. Other providers are, in the main, Belgium, Czechoslovakia, and, to a limited extent, the United States. If you ask why the Germans, the allies of the Japanese in the anti-Comintern (which means anti-Russian) pact, should sell to Japan's enemy, the answer apparently is that the Germans, even for the sake of politics, cannot afford to give up their thriving Chinese export trade. This enormously important Canton-Hankow route will, of course, be severely diminished in value if the Japanese take Hankow. Doubtless the Chinese, at least for a time, will keep the line as far as Changsha, but loss of Hankow will in effect mean that China is deprived of its last important railroad as a carrier of supplies. The Japanese have bombed it unmercifully. But the Chinese manage to keep it open.

2. The French-owned and operated railway from the coast of Indo-China up to Yunnanfu, to which town in remote southwestern China the Chinese government may move. This route is a valuable one, though the French have tried to check munitions shipments. Unfortunately Yunnanfu is not connected by railway with any other Chinese center, so that supplies, once they reach that city, would have to be transferred to the front by road. And Chinese roads are not good.

3. A new road, built at the cost of incredible labor,

from the Burmese frontier to Yunnanfu. This road is not yet officially open to heavy traffic, but it will be operating soon. Obviously it suffers from the disadvantages of any overland route in an underdeveloped country, but it may turn out to be of great importance.

4. The arduously long and difficult land route from the Soviet Union through northern Sinkiang or Outer Mongolia to the nearest convenient Chinese entrepot, say Lanchow or Sian. This route is being used, and some Russian trucks have got in. But it is expensive and very difficult. For instance, the trucks have to carry all their own gas, oil, and water for at least an eight-day trip, which does not leave much room for pay load.

China has a currency problem too. Not many countries are giving China credit, even though they may know that wars are, of course, traditionally paid for by the next generation. The Chinese dollar has fallen about 40 per cent in the last year, though it is at the moment remaining remarkably steady. Chinese export trade has suffered deeply, and the richest tax-paying provinces of China are the battlefield. Also Japan holds the great treaty ports except Canton, which means that it is seizing all but a fraction of the Chinese maritime custom that formerly provided almost 50 per cent of Chinese revenue. Perhaps "seizing" is technically an incorrect word; the customs money goes, I believe, into blocked accounts in the Yokohama Specie Bank. However, the Japanese have the use of it, and China isn't getting any.

The great Chinese weakness is artillery. Chinese munitions plants can manufacture small arms and machine-guns, but not precision instruments of quality and not much artillery. Nor have the Chinese anywhere near enough aircraft. The Russians have sent in a few pilots and planes, but not many. An air raid in China is apt to be a pitiable experience. The Japanese no longer bomb with impunity, as they once did, and almost always they lose planes in dog fights, but the Chinese anti-aircraft equipment is insufficient and relatively ineffective, with the result that the enemy usually inflicts severe material damage.

Japan, on the other hand, has pretty much all the supplies it needs. We in the United States bear partial responsibility for this. It goes without saying that Japan feels some drain. Petrol is carefully rationed, and building construction has been stopped in order to conserve supplies. In a recent issue of the *Japan Advertiser* new measures are reported to limit the use of materials like cotton and leather. Japanese exports, on which the island lives, are down about 20 per cent according to figures in the latest issue of the *China Weekly Review*. The value of exports from January to May 10 of last year was 1,100,000,000 yen (the yen is currently quoted at approximately 28 cents); in the corresponding period of this year the figure is 906,000,000 yen. The Japanese national debt has increased from roughly 12,000,000,000 yen to about 17,000,000,000 yen in a single year (in 1930, before the Manchoukuoan incident, it was only about 6,000,000,000. The banks, the insurance companies, the great financial establishments, are flooded with red-ink bonds.

Yet it would be risky to say that Japan is going broke. Totalitarian states—Japan has been a totalitarian state since about the sixteenth century—can perform incredible juggleries with money, especially in time of war. The thing to watch is the export trade, because the best informed people in Japan think that the country's supply of crucial raw material—steel, petroleum, etc.—can last only about eighteen months more. There is no currency crisis or inflation as yet, though currency control is very strict, and some gold has been sold. The gold cover is high, at almost 40 per cent. Prices, however, are generally rising.

As to morale, is it almost always easy to have good morale when you have good machine-guns. The Japanese, a tough and determined people, facing what they freely concede to be a titanic job, are not showing much sign of weakening, at least on the surface. I don't know what is going on, if anything, underneath the surface. I doubt if anyone does. The war is not popular. There is no doubt of that, even though war-time economy has given a filllip to both patriotism and business. But revolution will never be easy in Japan, unless the army itself makes it, or unless there should be a sudden, spectacular, and complete defeat.

CHINESE MORALE MAGNIFICENT

Chinese morale is magnificent. There is no other word. The war *is* popular with them. The Chinese may lack money and supplies, they may lack even primitively efficient munitions, but they have put up a fight against the enormosly better-equipped Japanese that staggers the imagination. The Japanese thought it would be all over in three months. But it may—it *may*—last three more years. All over China, from the most competent and experienced observers, I heard the same story: that the Japanese, fighting to keep China from becoming united and strong, have, up to the present at least, produced just what they sought to prevent—a strong, united China. Japanese bombs have brought the menace of Japan to villages which had scarcely ever heard of Japan. Refugees have carried their tale of woe and renascent nationalism to the remotest parts of the interior. Boys are drilling with broomsticks for service in a national army in provinces where the very idea of a national army would have been scoffed at two years ago. A new China has been born. If only it survives.

There are two dangers to China in the way of morale. One is the possibility that the Japanese may conceivably succeed in buying some of the provinical leaders. The second, only a very remote possibility at present, is a split between the Red Army and the Kuomintang. But the Japanese themselves have served to minimize these possibilities, because they have so aroused the country that everyone hates them more than he hates rival Chinese. Japanese cement has unified China.

If you ask me what I think the next stage of the war will be—how, in other words, the deadlock will shape up—I hesitantly offer the following idea: I think that, following an undeclared war, there may eventually be an undeclared peace.

The Japanese will probably intrench themselves behind the Lunghai railway and the Tientsin-Pukow railway. In that way they would have rail maneuverability and, if they built concrete and steel fortifications, they would probably be impregnable to frontal attack, since the Chinese are so weak in artillery. The Chinese are wonderfully stubborn in retreat; they shrewdly base their tactics on making any Japanese advance extremely expensive. But they have, as yet, only small attacking power. Therefore if the Japanese dig in they may have a fair chance of holding this vast region. They are already beginning to exploit it, that is, make the Chinese population itself pay for the rest of the war.

I don't think that the Japanese have any zest to proceed beyond Hankow, and I don't think they would attempt to pursue Chiang Kai-shek to Chungking or Yunnanfu. Nor would it be necessary to negotiate with him. They could adopt their favorite tactics of ignoring his regime, pretending that it isn't there in fact, as things are at present, negotiations are impossible technically, since the Japanese do not recognize that he exists. This sounds odd, but the decision to withdraw recognition was taken with the Emperor's sanction, and it will not be too easy to revive Chiang if such a move indicates that the Emperor, by inference, was wrong. The Japanese can dismiss Chiang as a bandit, dare him to attack them, retire behind a steel wall, and wait. Undeclared peace.

HOPE IN GUERILLAS

The obstacle to this Japanese plan of a long deadlock, a fraying out of hostilities, and an eventual undeclared

peace is the Red or Eighth Route Army. I am inclined to believe that the key to the outcome is this army (which isn't, strictly speaking, as much a "Communist" army as most people believe) and its subsidiary armies, more than any other factor. I think that the Red Army, if it continues to receive supplies—it must have some supplies, even though its prowess is formidable in living off the country and off the Japanese—is more vital to the Chinese cause than any economic drain in Tokyo. If the guerrillas trained by the Eighth Route Army can continue to harass Japanese communication, raid Japanese-occupied territory, and in general make havoc behind the Japanese, lines, it may take years for the Japanese to consolidate their gains. The present campaigns seem to show that the Chinese cannot beat the Japanese front-to-front. You cannot fight an artillery barrage with a whistle. But you can fight it by tackling it from behind, which is what the guerrillas are trying to do. I have seen nicely shaded maps showing the territory the Japanese have "occupied." Half of this is in reality guerrilla territory, though it is far behind the lines. On the other hand, in order to keep up their sensationally stimulating struggle, the guerrillas need close liaison with the rest of China, which the fall of Hankow and a further Japanese advance might imperil.

Of course the border squabble this week in the no man's land between Manchoukuo and Siberia may develop into something very dangerous for Japan, and thus helpful to China. One school of thought in the East says that Japan, rather than suffer the alleged ignominy of being forced to a stalemate by China, will prefer to tackle the U. S. S. R. and anybody else in sight and take the chance of perishing in a volcano of so-called glory. But a more rational view is that Japan, with one hand full of Chinese dragons, can hardly be eager to mix it with a Russian bear with the other. Thus—at the moment of writing—the apparent Japanese willingness to give way to Russian demands, provided face is saved. What the Japanese seem to want is a formula whereby they can wriggle out of the scrape with "honor." If Russia carries on the present frontier incidents with a full-fledged invasion of Manchoukuo or Korea, then obviously the Japanese will have to divert troops from China to the north and the Chinese position will be infinitely improved.

If I have seemed unduly pessimistic in some passages of this article, let me end on another note. One of the best military men in China told me that this war, if it has accomplishd nothing else, has at least indicated that the Japanese are not quite so invulnerable as many experts thought. "Any first-class European army, with proper equipment, even the Italian army," he said, "could drive the Japanese into the sea in six months."

China Threatens Resignation from League Unless Powers Act to Curb Japan

H. C. H.

NEVER in its checkered history was the League of Nations in a more precarious position than it is today. Besides facing a crisis of unprecedented gravity in Europe, the League is also confronted with a demand from China, which allows little room for further procrastination or evasion. China finally is demanding a showdown. The League must fulfil its obligations by assisting China in checking Japanese aggression or China will withdraw.

The possibility of such a course was indicated by Dr. Willington Koo, China's chief delegate to the present session of the League Council and Assembly, when he declared that China would withdraw from the League, if other member-states failed to apply Article 17 of the Covenant on sanctions.

In a note to the the League, China requested that economic sanctions be enforced against Japan if she refused to discuss immediate termination of her hostilities in China. Meanwhile, the Chinese delegates adopted a clear attitude as regards League Covenant reforms, strongly opposing suggestions from the Oslo Convention Powers that sanctions should be decreed non-compulsory. They also insisted on the necessity of financial assistance being given to victims of aggressions.

Observers in Geneva regarded China's demand for genuine peace discussions or economic sanctions against Japan as a move to force Britain, France and other members of the League to give China credits on arms purchases. They pointed out that the League was persuading China not to press her demands for action against Japan and it was thought likely that some agreement such as credit allowances might be reached by China with League members outside the framework of the League, if sufficient Chinese pressure is applied against the League.

China's appeal so far has not been discussed by the League, although informal conversations are being carried on betwen the Chinese delegates and those of Britain and France. What action the League is likely to take, is as yet impossible to say. But it seems certain that mere lip-service will no longer satisfy China, whose naive reliance on the League has cost her the loss of Manchuria and brought her no relief in checking present Japanese aggressions.

Fifty-nine leading Chinese newspapers throughout the country issued a joint manifesto, urging the League to take immediate actions to check Japan's invasion of China. The manifesto declared that the question of world peace or chaos depends on the decision of the League, which must be promplty taken. In order to save its own prestige, the League must give aid to China in halting the Japanese invasion. The Chinese people have given and are giving their full support to the League and have the right to expect the latter to fulfil its obligations towards member-states.

In another manifesto, 12 Chinese public bodies in Shanghai cabled the League, urging it to invoke Article 17 of the Covenant against Japan, for enforcement of sanctions. The message pointed out that such measures would prove effective against aggression and would "save mankind from a big calamity."

In the name of 45 million Chinese Mohammedans, Gen. Pai Chung-hsi, Kwangsi military leader, who is chairman of the Chinese Mohammedans' Association, appealed to the League to adopt effective measures to check the Japanese invasion of China. For the vindication of international justice, safeguard of the sanctity of international treaties, and maintenance of world peace, the appeal stated, China has been waging a war of resistance against the Japanese invader for more than a year. In order to fulfil this important mission, she has made huge sacrifices. If the present session of the League Assembly again fails to take effective action to check Japanese aggression, the appeal adds, the Japanese warlords will become more daring and the peace of the world endangered. In the interests of international justice and peace, the message concludes, immediate and resolute action to curb Japanese aggression in China is imperative.

Leading Chinese newspapers in Shanghai voiced the opinion that it is high time for the League to restore its prestige and efficacy, as the international situation has reached such a critical stage that the system of collective security would collapse if no concerted actions were taken

to uphold it. The member-states, the papers emphasized, should realize that the overthrow of Japanese militarism will not only benefit China but the whole world as well. They urged that the League should not again perfunctorily fulfil its obligations by adopting such empty resolutions as "moral support" and "individual aid." The leading powers, particularly Great Britain and France, should co-operate with each other in giving China substantial aid in financial and technical fields.

A motion condemning Japanese aggression in China was adopted by the congress of International Union of Lawyers held at Budapast. Presented by Dr. Chen Yao-tung, of Nanking University, and M. Ghende, Belgian delegate, the motion also condemned bombardment of civilian populations and the use of poison gas.

Eugene Chen, former Foreign Minister, issued a further statement giving his views on the Japanese destruction of the airliner, "Kweilin". The interivew appeared in the *Hongkong Herald*. In his opinion Japan is not entitled to claim so-called rights of war. Since the signing of the Kellogg Pact, the statement says, all signatory Powers, including Japan, have contracted themselves out of war as an instrument of national policy—since a war of aggression is such a war, it is illegal.

This means, the statement continued, that, as Japan is clearly waging a war of aggression against China, the Japanese Government and its armed forces are not entitled to claim rights of war. Therefore, the Japanese soldiers and sailors in China and in Chinese waters are criminals just as any murderer is a criminal, particularly the Japanese aviators who attacked the Chinese-American airliner "Kweilin" and machine-gunned its passengers, men, women and children on Aug. 24.

Mr. Chen suggested the creation of an international police force to check the aggression of such a criminal Power as Japan and argued why it couldn't be formed merely because of opposition to the idea or obstacles which stand in the way of its creation. Pending the institution of such an international police, Mr. Chen said that China is justified in calling upon the peace Powers —especially America, Britain, France, Soviet Russia—to enforce the "hue and cry" against Japan by denying her rights of war and sustaining the necessary consequences of such a denial.

A delegation representing various civic organizations in the Wuhan area called at the Hankow offices of the Soviet, British and French Embassies when an appeal to their respective Governments was submitted for concrete assistance to China in her struggle against Japanese aggression.

The 43rd anniversary of the First Revolution under the leadership of the late Dr. Sun Yat-sen was commemorated at a meeting at the Central Party Headquarters at Chungking on Sept. 10. Speaking on the occasion, Wang Ching-wei, Deputy General Executive of the Kuomintang, said that the First Revolution was launched by Dr. Sun in 1895, one year after the Sino-Japanese war of 1894. Today, Mr. Wang continued, China is again locked in bitter combat with the Japanese imperialists. Pointing out that the country must rely solely on its own strength in preserving its independence, Mr. Wang urged the people to be firmly united in the struggle against the alien invaders.

The first formal meeting of the resident members of the National People's Political Council was held (Sept. 9) at the Chungking. In the name of the Council, Wang Ching-wei, its chairman, cabled to the Council of the League of Nations, urging it to adopt concrete measures for giving assistance to China in her struggle against Japanese aggression.

The talk of amalgamation of the puppet Peiping and Nanking regimes has again been revived. Motivated by the idea of bringing about a "united front" among the puppets which had previously failed to work, plans for merging the Nanking "Reformed" Government and the Peiping "Provisional" Government were allegedly being pushed with the view of bringing about the amalgamation by October 10, China's National Independence Day. In order to exchange views on the projected merger, Liang Hung-chih, head of Nanking, was reported to have gone to Dairen to meet Wang Keh-min, Peiping's No. 1 puppet.

Meanwhile it, was reported that Maj.-Gen. Doihara, Japan's master of intrigue, and Chen Chung-fu, pro-Japanese politician who was once secretary to the late Hu Han-min, were continuing negotiations in Shanghai with puppet officials of Nanking. Gen. Chi Hsueh-yuan of Peiping, who once served as military Governor of Kiangsu, was also in Shanghai, participating in the talks. According to a Chinese report, if the Doihara intrigue succeeds, the division of spoils among the officials of Nanking and Peiping in the projected unified administration would be somewhat as follows:

Wang Keh-min, President
Cheng Chung-fu, Premier
Chen Lu, Minister of Foreign Affairs
Miao Ping, Minister of Interior
Kung Hsin-kan, Minister of Finance
Chi Chien-yuan, Minister of Pacification Affairs
Wen Chung-yao, Minister of Justice
Wang Ying-tai, Minister of Communications
Chen Chun, Minister of Education
Wang Tze-hui, Minister of Industry
Yen Chia-tze, Director of Revenue Affairs
Chu Sen, Director of Conservancy Works
Shen Jen-chin, Director of Wine and Tobacco
Kiang Chao-chung, Secretary-General of the Presidents's Office
Kao Lin-wei, Chief of Staff.

Blocked by underground jealousy and many "vested interests" among the puppet officials of Peiping and Nanking, the road to to unity was a throng path. They were faced with so many internal difficulties, that they could hardly agree among themselves. First rivalry for the post of chief puppet was likely to shatter the present plans. Secondly, there was the all-important question of spoil. Shanghai, as the chief source of revenue, now nominally under Nanking, would become a bone of contention, which would make agreement between Nanking and Peiping impossible. Third, the second-rate puppet officials of both regimes were said to be opposing to the amalamation, as they would not be able to obtain such high positions under the projected new regime as they were occupying now.

Mnanwhile, the Japanese sponsors were also sharply divided among themselves. One group favored small independent set-ups similar to the former warlord system, but with the "teeth" taken out. Another group, equally influential, was said to avocate a "central government" along the line of Manchukuo.

Some 155 new text books for use in Chinese middle and primary schools have been compiled by a Japanese commission in Peiping, according to the Tientsin *Yung Pao*, Japanese army organ in North China. In the new books all nationalist ideas and Kuomintang principles have been entirely eliminated.

On a mission of seeking more funds, Chen Ping-nien, finance commissioner of the puppet Chekiang administration, was visiting in Shanghai en route to Nanking, according to Japanese report.

Evidencing a shortage of Japanese armed men to guard against Chinese guerilla attacks, Hsu Tsung-jen, Nanking police commissioner, has been ordered by the Japanese command to organise a Chinese constabulary to patrol Nanking streets.

The number of Chinese newspapers in Japanese occupied areas in the Yangtsze valley is now about 50 per cent less than before the hostilities. Nanking's publicity bureau is planning to establish several new papers to spread Japanese propaganda.

Despite many months of wrangling, agreement was still impossible among the various rivaling ministries of the Tokyo Cabinet on the question of the so-called "China Affairs Bureau." Ex-Foreign Minister Koki Hirota was kicked out of office, when he attempted to bring the proposed organ under the control of his Ministry. Now, the War Office expressed the opinion that new bureau, if established, must be a national organ under the direct control of the Premier. War Office officials also demanded that the economic affairs now controlled by the Navy should be transferred to the control of the new bureau. The question was again discussed this week by the "Inner Cabinet," but owing to the views of the War Office, no decision as to the time of its formation was reached.

Confronted with increasing difficulties in international relations, the Japanese Government instituted a system of diplomatic advisors to the Foreign Office. As this system was unprecedented, imperial sanction had to be sought and obtained. By an imperial ordinace, Naotake Sato, former Foreign Minister and Ambassador to France, and Hachiro Arita, former Foreign Minister and Ambassador to China, were appointed the first diplomatic advisors, whose duty would be to advise the Foreign Minister and to participate in discussions on diplomatic affairs. The number of such advisors was, for the time being, limited to three.

Meantime, Foreign Minister Gen. Ugaki was planning a complete "renovation" in Japan's diplomatic personnel. Renzo Sawada, advisor to the Peiping "Provisional Government," would be appointed Vice-Minister of Foreign Affairs to succeed the present Vice-Minister K. Horinouchi, who would be appointed Ambassador to Washington. Tatsuo Kawai, Chief of the Intelligence Bureau of the Foreign Office, was slated to replace Renzo Sawada as advisor to Peiping. Hiroshi Saito, Ambassador to Washington, was likely to replace Masayuki Tani in Shanghai and to act as *de facto* Ambassador to China. Other personnel changes were said to include the appointment of Toshio Shiratori as Ambassador to Rome, Shigenori Togo as Ambassador to Moscow, Mamoru Shigemitsu as Ambassador to London and Lt.-Gen. Hiroshi Oshima as Ambassador to Berlin.

Europe's War Menace

War or peace? On September 15, as the *China Weekly Review* went to press, it was still a toss-up. Reports said that 2,000 Sudetens and Czech troops had clashed, and that the Sudetens had broken off relations with the Czech Government. France had completed preparations to call up classes totaling 2,000,000 men, while Russia and Rumania were said to have reached an agreement for passage of Soviet troops across Rumania. Britian denied that her navy had been ordered to stand by and Chamberlain hopped off for Berlin by plane; Berlin refuted rumors of further mobilization, but the Sudetens reported that the Czech Army was on the march toward the border. Australia pledged its fullest support to Britain, and all in all, the world faced its greatest war threat since 1914. The situation stood, as the *London Daily Telegraph* remarked: "Nothing is more difficult to foresee than in what manner or at what hour decisions may be forced upon a government, or when it may be necessary to defend the country."

THE world, all but the man who will have to shoulder arms, this week sat back and waited for what appeared to be the inevitable—war in Europe, with the Reich warriors goose-stepping toward the Czechoslovakian border where Czech troops were massed. And in the offing, stood the colossal powers of France and Great Britain, waiting the next move of Adolf Hitler—the man Mayor Fiorello La Guardia of New York, calls the "fanatic in a brown shirt."

On September 12, Hitler delivered his tensely-awaited speech at Nuremberg. He said much about his and the National Socialist rise to power, but the words the world waited for numbered less than one hundred. He said:

> "This is a question of Germans and I do not intend to permit a second Palestine to develop here. The Arabs are defenceless and forsaken but the Germans in Czechoslovakia are neither defenceless nor forsaken. I declare in the name of the German people that we are ready to assume this position and to accept the consequences whatever they may be. We shall no longer tolerate the presumption of a small state that is nothing more than a momentary upstart."

The world heaved no sigh of relief at Hitler's words, but remained, metaphorically, in a "state of suspended animation." London's immediate reaction was that his speech had done nothing to alter the situation for the better.

It was felt that in no possible sense could the speech be termed constructive, and it might even be said to be the reverse, since there was apparently no effort to allow the two parties in Czechoslovakia to get together alone, and thresh out a settlement.

It was felt in semi-official circles that if the Czech Government and the Sudeten Germans were allowed to get on alone with the task, there might be a fair prospect of a solution. It was pointed out that the fact that no startling fresh demands were made does not mean that Herr Hitler's declaration does not shape the situation. Not only in official speeches, but by the tone of the press and by Germany's continued mobilization, it was felt, there seemed to be a determination not to allow the Sudetens and the Czechs to get on with the negotiations undisturbed.

References to "self-determination," these circles declared appear to be a hint that one of the parties in the dispute will make as wide demands as they wish. It was further pointed out that, while Herr Hitler attacks Czechoslovakia for references to German mobilization, the speech made very little references to the present military maneuvers in Germany, in which a million and a half men are under arms, and which have yet to continue for some weeks.

Until they are over, and while the temper of Germany remains what it is today, it was felt by these circles that no realist can believe that the danger is past, or that the threat to European peace does not remain.

Relief Felt in Geneva

A slight feeling of relief was perceptible in Geneva as Hitler did not speak any irreparable word nor did he give a fatal pledge in his speech. Geneva hoped that a peaceful settlement will be reached, although it is realized that the temperature in Europe remains at fever heat and it is feared that the coming month will be fraught with anxiety.

Hitler's speech is semi-officially considered to be threatening, but to add nothing new to the situation, Paris reports said.

It was regarded in Paris as significant that the Fuehrer did not make any specific reference to holding a plebiscite. It was felt that the danger of war has been postponed, but it is realized that the tension will continue. The general opinion was that the speech was violent in form, but vague regarding Hitler's intentions. A strong impression prevails that Hitler wished to say more, but that the semi-official British warning made a big impression upon him.

The French Cabinet also discussed measures to be taken, and which are being taken, in preparation for any emergency. No new measures were decided upon, as France has already reached Stage B of the famous "ABC" system of preparation for possible hostilities. The Cabinet considered what the position would be if Hitler did not clarify the situation, and tension continued. It also considered measures which might be necessary if the frontier defenses needed re-inforcing, and the civil population had to be defended.

Rome Reaction

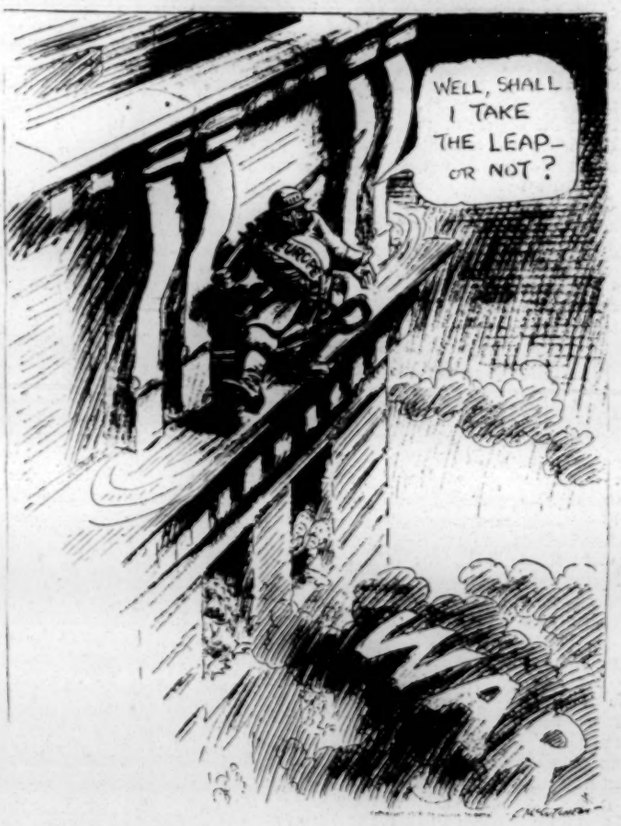
The tone of Hitler's speech was considered by official quarters in Rome to be "outstandingly moderate," in view of the "great provocation that Germany has suffered" in the general opinion of Rome circles. The "warlike attitude" of Great Britain and France is held as complete justification for Germany's new defense measures. The *Giornale d'Italia* declared that Hitler's insistence upon a speedy settlement of the problem means that he will demand a plebiscite. Other circles, however, considered that the Fuehrer will not require more than Sudeten autonomy within the Czech state.

Berlin Silent

No official reaction to Herr Hitler's speech was obtainable in Berlin.

There was a general feeling of relief in diplomatic circles, however, that the speech, though couched in vigorous language, contained no threat of direct measures. The seriousness of the Czech problem remains, it was pointed out, and it will be the task of Lord Runciman and the two disputing parties to compose a settlement.

THE REST OF THE WORLD WOULD CALL IT SUICIDE



McCutcheon, Chicago Tribune

Tokyo Considers Speech

Quotations on the Tokyo stock market, which had firmed up during the bast week in expectation of a European War, sagged Sept. 13 with the reading of reports of Hitler's speech. This was regarded in Japanese circles as leaving the way open for a peaceful settlement. Weighing the advantages and disadvantages of a war in Europe upon Japan's position in China, authoritative Japanese quarters claim that they would prefer peace.

One of the main reasons for this preference appears to be a fear of a rupture of the Anti-Comintern Axis if Germany were defeated. On the contrary, it was claimed that war in Europe would inevitably result in a stoppage of the flow of arms to China, enabling a speedier achievement of Japan's objective.

Washington Comments

Havas, carrying reports from Washington, reported that Stanley K. Hornbeck, expert on Far Eastern Affairs in the State Department, Maxwell M. Hamilton, head of the Far Eastern section in the State Department, and Admiral W. D. Leahy, chief of Naval

Operations, on Sept. 12 discussed the distribution of U.S. naval vessels in Far Eastern waters in the event of a European war being declared. According to qualified observers, the Pacific Fleet would take up a position ready to defend American interests in China should Japan disregard third party interests there. *Reuters* reported that the strident and aggressive tones of Hitler's speech brought a measure of re-assurance to Washington, where it was believed that the degree of menace was in inverse ratio to the fiery tones. "The bark is alarming, but the bite will at least be postponed," was the summing up of opinion in official quarters, although it is recognized that Europe has gained but a respite from the fears of the past weeks.

In a Washington report two days before Hitler made his speech, President Roosevelt was reported to have said that the United States was not bound by any contract to the European democracies. "To include the United States in the France-Britain front against Hitler is a 100 per cent false interpretation by political chroniclers.

The *New York Times* confirmed that the President mostly sought to destroy the impression that the United States had already accepted certain obligations towards France and Great Britain to assist them in the event of a war, and also wished to dispel the impression of certain papers that American diplomacy had taken measures which would allow the country's attitude in the event of a European conflict to be judged beforehand.

Situation in Czechoslovakia

Meantime, the situation in Czechoslovakia grew worse. Following Hitler's speech, a series of serious incidents broke out in various parts of the country, and by the night of Sept. 12, six deaths had been counted. Two Sudeten Germans were killed near Aussig when a German is alleged to have fired a shot across a stream and the Czechs on the other side returned the fire. Near Carlsbad, a Czech postmaster was fatally injured and a Czech postal official was severely wounded when Sudetens are reported to have tried to seize a post office. A Sudeten German was shot at Grasslitz, hit in the abdomen by a Communist who had been himself injured. In one or two towns elsewhere Sudeten Germans are stated to have attempted openly to seize police headquarters and post offices.

In an effort to cope with the growingly tense situation, the Czech Government proclaimed a state of emergency in eight districts of the country, including east Neudeck, Prognebelly, Ellbogen, Kagen and Eger.

Previous to Hitler's speech, President Edouard Benes, of Czechoslovakia, warned that "nothing will be changed either in the democratic structure of Czechoslovakia or in the government's policy."

Surcharge on Power Company Tariff

With reference to the notice appearing in the Municipal Gazette of July 29 last, the Municipal Council revealed this week that a misunderstanding occurred on the part of Members of Council with regard to the application by the Shanghai Power Company for authority to apply a surcharge on its tariff. This application proposed that the surcharge should apply to all bills rendered on or after August 1, 1933, in respect of consumption periods ending on or after that date, but members of Council overlooked the significance of this phraseology and, when authorizing the surcharge, their understanding was that it would apply to *consumption* as from August 1. The surcharge as approved by the Council was made subject to monthly adjustments in accordance with fluctuations in exchange.

The position has been further discussed between the Power Company and the Council, the Council said, and, in order to overcome the difficulty created by this misunderstanding, for which the Company is in no way responsible, the Company at the request of the Council has consented to postpone the application of the surcharge by one month, and this will now therefore commence with bills rendered on or after September 1, 1938, in respect of consumption periods ending on or after that date, for which bills the surcharge, assessed on the basis referred to above, will be 32.5% as already announced. Electricity consumed prior to August 1 will not now be subject to any surcharge. The Company will refund or credit to all consumers the surcharges paid in respect of consumption periods ending during the month of August, 1938, the Council said.

Good Harvest Reported in Szechuan

Szechuan enjoys an unprecedented good harvest this year, according to reports received by the provincial authorities from different districts. It is estimated that the total agricultural production this year will be one-third more than that of the previous years.

In Tungkiang, Nunkiang and Pachung districts, large quantities of rice and other cereals were produced. The surplus production is estimated to be sufficient to feed 500,000 people for three years. In an attempt to collect as much rice and other cereals as possible for storage, the Szechuan Provincial Government, the Central Farm Bureau, and a number of commercial banks have appropriated $10,000,000 to buy rice and cereals from the farmers. Another $1,000,000 was obtained through the mortgage of $4,000,000 relief bonds with the Joint Savings Bank to organize cooperative societies for the accepting of agricultural products as mortgages from the farmers.

The Central Bank of China and the Bank of China will advance an additional $1,503,000 to the farmers in Szechuan this year against rice and other cereals stored in the granaries as securities.

Guerillas Active Here; Ta Tao Policeman Loses Head

Explanation for the large number of fresh Japanese troops arriving in the Shanghai and Yangtsze valley areas was found this week in a report in the *Asahi Shimbun* which noted that "Maintenance of peace and order in the occupied areas has not been as complete as one might have wished owing to the fact that the area of hostilities expanding to the north and south have had to be covered by comparatively small forces against heavy odds. This has persuaded the Chinese that the Japanese strength in China will no longer increase, if not actually declining. Thus they have planned to disturb the rear of the Japanese lines by guerilla raids on the occupied areas.

An unnamed town in Manchukuo which serves as guerilla headquarters.

attacking transport units and the like. Political construction has been impeded by such operations and many economic development enterprises have had to be abandoned on their account."

This, of course, has been the main reason for guerilla activities, and Japanese admission of the necessity to pour more men into this area is a confession of the success of the guerillas.

In the Shinghui area, guerilla bands continue to annoy the Japanese, and this week the severed head of a "Ta Tao" policeman was found on a bridge near the Hungjao Golf Club. The gruesome discovery was made by a prominent foreign businessman who was on his way to the club for his Sunday morning round of golf.

Subsequent investigation revealed that the head had once belonged to a "Ta Tao" police constable on duty in the area. Its discovery is accepted as indication that guerillas are still active in the western district. Since the removal of Japanese sentries from the bridge near the spot where the head was found, guerillas have made their appearance among the villagers in the area on several occasions.

A serious clash occurred Sept. 11 between Chinese guerillas and Japanese troops at Tsaoentou, less than one li away from Tungchang Road in Pootung, where the seat of the "Ta Tao Government" is located. With the intention to break through the defense line on the Pootung main thoroughfare, the guerillas numbering 100 strong launched a surprise attack under the cover of dark. The Japanese forces and populace of Pootung were thrown into consternation.

Taken completely unaware and not knowing the exact strength of the mobile bands, the Japanese solely relied on their machine-guns to drive the attackers away. A huge fire broke out during the fighting, as the Japanese set fire to the civilian dwellings in the vicinity of Tsaoentou apparently for the purpose of forcing out the guerillas. The engagement lasted until 6 o'clock in the morning. Casualties suffered by both sides have not yet been ascertained.

Another clash is reported to have occurred at Hsiashachen, village in southern Pootung the same day. A bank of some 60 Japanese garrisoning Chowpu was surrounded by the guerillas, and fighting started at 2 o'clock in the afternoon and lasted till dusk. More than 10 Japanese soliders were killed. Chow Yung-lung, a tax collecter of the "Ta Tao Government", who has been noterious for his tactics of exortating and oppressing small Chinese hawker, is reported to have been executed by Chinese guerillas on Sept. 10.

Ask Removal of Censorship on Publications

The Wu-Han Association of Writers and Publishers has sent a petition to General Chiang Kai-shek, President of the Military Affairs Commission, requesting that the censorship on publications, including examination of manu scripts, be removed.

Japanese Air Raid on Yeghe

Three lamas were killed and a number of houses demolished as a result of a aerial attack by three Japanese airplanes on the Yeghe Jo (Ordos) League, in south-western Suiyuan, on Sept. 2.

Japan's Three-Headed Drive on Hankow Continues

THIS week, the Japanese continuing their drive towards Hankow, thrusting forward from three directions—north, south, east—on Sept. 12 swept into Sikuling, commanding the highway leading to Tcian, climaxing a five-day drive for this strategically-important city. As the Japanese forces operating southwest of Singtze gained momentum, Chinese retired to Hualungshan.

Meantime, Chinese observers in Hankow were of the opinion that the decisive battle for that city will take place on the north bank of the Yangtsze. These observers believe that the Chinese positions on the south bank west of Yuichang will withstand assaults by the Japanese forces for a long period, since there they declare, the Japanese must fight their way inch by inch through hilly terrain. The other method of approach to Hankow, straight up the Yangtsze, is also being rendered extremely difficult.

They claimed that the strong Chinese fortifications at Wusueh, a short distance above Kiukiang, and Matouchang, have halted the advance of the Japanese warships attempting to force their

"MORE THAN ONE WAY TO WIN"

Shoenaker in Chicago Daily News

way up to Hankow. On the north bank, from which the greatest threat to Hankow is now considered to come, Chinese reports stated that the Japanese are making little progress in the Kwangtsi area.

The Chinese forces in the Tapei Mountains, north of the Huangmei to Kwangtsi highway, are said to be exerting constant pressure on the Japanese flanks. Information from Chinese sources received Sept. 13 from Shanchen about 30 miles southwest of Kushih, indicated that the Japanese at Kushih are turning southwards in the direction of Shanchen.

Chinese observers considered this new move has as its object a drive southwestwards along the high way passing through Shanchen and Machen towards Hankow. Kushih, Shanchen, Machen and Hankow are in straight line running northeast to southwest, Machen being about 50 miles from Hankow.

Hindering a drive along this route, Chinese circles declared, would be the strong Chinese defenses in the hills between Shenchen and Machen.

Turning to the south bank of the Yangtsze, Chinese reports stated that the fate of Wushihmen, on the road to Nanchang, hangs in the balance as fighting is still proceeeding around those two points. There are two important highways leading to Tiean immediate objective of the Japanese.

One of these runs from Singtze to Tiean via Sikuling, passing through narrow "corridors" at Wushihmen and Sikuling with towering mountains on either side. Sikuling, however, fell on Sept. 12.

In this area, the Chinese are said to have erected strong defences, with barbed-wire, tanks traps, machine-gun nest and artillery units effectively placed and well hidden.

Casualties Heavy

In this vicinity, the Japanese admitted a furious 10-day battle centering in the foothills of the Tapieh range near the Anhwei-Honan border. They said that Chinese troops suffered at least 10,000 casualties.

The engagements, ranking in tensity with the most sanguinary encounters in the Shanghai campaign, brought death to 4,000 Chinese soldiers, whose rigid, blood-stained bodies were scattered about on the once-wooded hill slopes, *Domei* correspondents at the front reported. The battle to an end Sept. 12, when Chinese forces, once estimated to be 10 divisions strong, gave up a stubborn defence of elaborate positions on hills commanding the roads from Yehkiitsi, in western Anhwei near the provincial border, to Shangcheng, pivotal point in the Chinese defence triangle in southeastern Honan. In small, isolated groups, they began a retreat toward Shangcheng, as Japanese troops seized Fuchinshin, Hwayinshin and a hill that became to be known among the Japanese as 800 meter height.

Hemmed in from three directions, with their backs to the Tapieh mountains, the Chinese had no alternative but to retire westward in escaping extermination, *Domei* said. Japanese aerial observers on Sept. 12 reported sighting only about 1,000 Chinese soldiers falling back towards Kuoliutan, 28 kilometers northwest of Shangcheng, indicating the disorderly character of the retreat. Semi-circular Chinese defense lines were also discerned by Japanese fliers being feverishly constructed with Shangcheng as their center. The outer edge of these positions was said to be at a point about four kilometers northwest of Changpaili, running towards Fachiatsi and Sushanshih.

Meantime, Japanese troops pushing westward from Kushih towards Kwangchow along the base of the inverted triangle forming the Chinese defense system in that area, were within 16 kilometers of their immediate objective as they closed in upon Huangkangszu the some day. Another Japanese column, proceeding westward on the flooded Hwai River, at the same time prepared to strike at Kwangchow from the north. Built astride the Han River, Kwangchow ordinarily is a thriving business town with a population of 40,000. Its strategic importance derives from the highways radiating from the town into the Honan plain, to Loshan and Sinyang in the west, to Sihsien in the North and Shangcheng and Kwangshan in the south.

Warships Damaged

This week, as usual, *Domei* continued to issue their daily bulletins, with headings, "Air Force Active on Yangtsze", but they contained nothing as startling as the *Kuo Min* dispatch which reported that five Japanese warships, 10 transports and two motor-boats, protected by planes, met the fire of Chinese shore batteries at Siangshan, near Siangkow, on Sept. 10. Nine out of the 32 shells fired scored direct hits on four Japanese warships causing serious damage, *Kuo Min* said.

But as Japan's army continued its tedious trudge along the Yangtsze's banks, Tokyo this week had a little "war" of its own. Tokyo and 18 other prefectures under the jurisdiction of the Eastern Japan Defence Headquarters were blanketed in eerie darkness on the night of Sept. 12 as elaborate air defence manœuvers, scheduled to last until Sept 17, got under way. Typifying conditions in the entire area, tramcars and trains ran through a strangely silent capital, with windows curtained, while the head-lights of motor-cars were hooded with black cloth.

For the first time, even motorcars belonging to Embassies and Legations were not immune from police control. The police enjoined the populace to be watchful for "foreign spies". No photography was allowed.

All buildings, from humble dwelling to large hotels, had their windows curtained with black cloth tonight, while lights indoors were hooded. At the first brast of the siren all traffic in the streets stopped running and pedestrians took cover.

More than 13,000 volunteers, including women, were mobilized in the capital to participate in the manœuvers, which were carried out with realism approaching actual war-time conditions as closely as possible. Owing to the darkness in the streets, in which only a few main traffic lights were kept open, the majority of Tokyo's population of 6,000,000 kept indoors.

Report Says Resignation of McNutt Asked by FDR

The *Washington Star* in a copyright aritcle on Sept. 10 revealed that President Roosevelt has requested the resignation of Paul V. McNutt, High Commissioner to the Philippines, after a heated exchange of correspondence. Administration officials would not comment on the *Star* article but one said that "McNutt will not return to the Philippines as Commissioner after he reports here in October."

Quarters connected with insular affairs said that latest information indicated that McNutt's future would await a conference on the subject. It was believed, however, that any differences between the Commissioner and President Roosevelt are not primarily based on Philippine policy. Administration circles admitted that McNutt and James Farley, Postmaster-General, have sometimes disagreed and are far from close friends. It was recalled that Mr. Farley's close friends have related that the democratic party chairman privately accused McNutt with aiding to halt the "Roosevelt for President" drive at the Chicago convention in 1932.

The Sino-Russian Treaty

WHILE Soviet Foreign Commissar Litvinov called time out this week on the Russian-Japanese border conversations to take part in the European crisis discussions at Geneva, Tokyo said they expected an early and successful conclusion to the negotiations as Japan's Moscow Ambassador Shigemitsu and Alexander Potemkin, assistant foreign commissar, opened talks on the subject.

The joint border commission, composed of two Soviet, one Japanese and one Manchoukuoan delegates, will be entrusted with the task of demarcating the eighty-kilometer-long border between Totsupai, or the starting point of the border on the lower reaches of the Tumen River, and No.1 border post, including Changkufeng hill and other disputed territories.

A spokesman of the Foreign Office on Sept. 12 expressed the hope that co-operation between the Soviet Union and Japan would make the demarcation of the border line in the disputed area a success. This, the spokesman said, would have a beneficial effect upon future settlement of other pending questions between the two nations.

Meanwhile, up in the northeast corner of Asia two armies, not so belligerent as in August, continue to face each other across two rivers—the Amur and the Ussuri, which form the border between Manchukuo and Siberia.

Writing in the August 7 issue of the *New York Times Magazine*, Harrison Brown remarked that from half a million to 900,000 troops, equally divided between Russia and Japan, keep watch along more than a thousand miles of Manchukuoan frontier. For, as Brown continued, Soviet Russia remains Japan's Enemy No.1, as she has been since 1922, when the United States brought about withdrawal of Japanese froces from Siberia.

History and geography are still in the making in this far-off quarter. Until a few years ago the Japanese military regarded the Far Eastern territory of Russia as a prize to be won; today that same territory has become a giant with a club. and as such it creates an ever-present nightmare for the statesman in Tokyo.

Few areas of equal size are so little known to foreign travelers, although thousands have glimpsed this or that corner of it. The name "Manchuria" calls up visions of vast rolling plains; yet the country is slashed across by two great mountain ranges and contains millions of acres of virgain forest land. "Siberia" has become identified with snow wastes and exiles in misery; but in reality much of Siberia enjoys one of the most healthful climates in the world and is rapidly becoming well settled. Both Siberia and Manchukuo are regions of vast undeveloped resources and future possibilities.

In one respect, however, the two armies along that border live in utterly different worlds. In Manchukuo the local population remains sparse and scattered, as it always has been, except for a few large cities some distance from the frontier. In Siberia the population is increasing by leaps and bounds.

Strategic Area

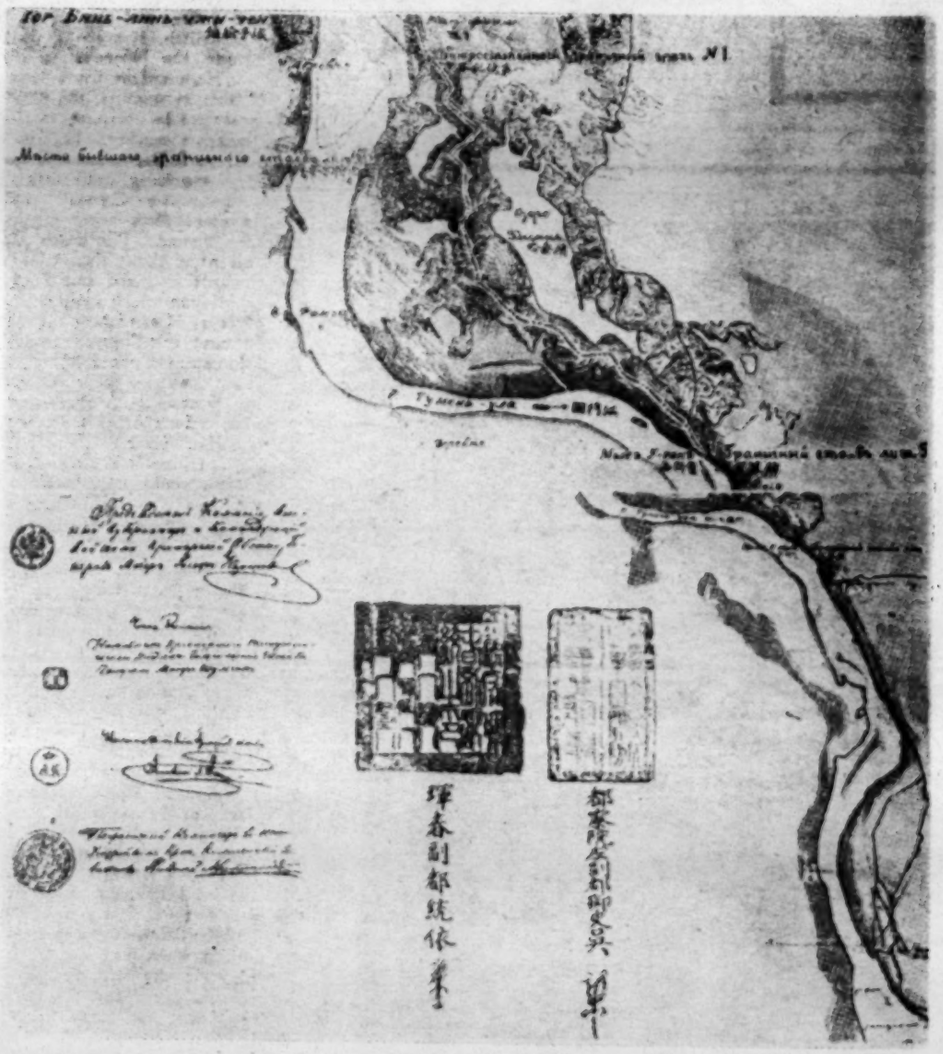
The "strategic area" in Siberia extends from Lake Baikal to to the coast, more than 1,500 miles by airline. From the headwaters of the Amur River it hems in the northward hump of Manchukuo, and from the junction of the Ussuri with the Amur at Khabarovsk it extends southward up the Ussuri. Between the Ussuri and the coast lies Russia's Maritime Province, a strip more than 200 miles wide and 700 miles long, Manchukuo on the north and east is hemmed in by Soviet territory as the State of Maine as bounded by Quebec and New Brunswick—but this Asian frontier a is frontier of fortifications and armies ready to march.

To get an adequate impression of this area, go to Irkutsk, on the west, or Moscow side, of Lake Baikal. Moscow lies nearly 3,000 miles away by airline, considerably farther by rail Board the Transsiberian express and start for the Pacific edge of Siberia, more than 2,000 miles to the east—it is difficult to think of the Pacific as eastward, but now you are on the far side of that ocean, in Asia.

All day the train winds around the southern end of the lake, which is shaped like a new moon, nearly 400 miles long and forty-five miles from shore to shore at its widest. It lies like a great bowl of crystalclear vodka in the hollow formed by the mountains; the district is Buryat Mongolia, one of the Soviet's two yellow republics. To the south, beyond the Soviet border, lies Outer Mongolia, Russia's protege and bone of long-simmering contention.

The train halts at Slyudvanka, an old-sytle Russian town and the only place of importance directly on the lake; then it heads east-

MOSCOW'S EVIDENCE OF BORDER TREATY



Moscow News.

Plan of a portion of the state border attached to the so-called Hunchun Agreement, signed on June 26, 1886, at the Novo-Kievskoye survey mark. The agreement reads, according to the *Moscow News*, M.M. Borodin's paper: "From the letter T, the border runs northwest, along the mountains, on the western side of Lake Hassan, and reaches the northern limit of the sand ridge, where secondary mark No. 1 is placed." Thus, the border runs not to the east of Lake Hassan and not along the western shore of the lake, as was asserted by the Japanese government during the negotiations, but considerably further to the west along the mountains. The eminence, claim to which was laid by the Japanese government for the first time on July 15 of this year and which the Japanese military units attempted to occupy, is indicated by the small cross. The frontier line is indicated by the dotted line. Below is a photostatic copy of the original signatures and seals of the Russian and Chinese representatives validating the plan or the state border."

ward, up through the mountains, to Ulan Ude, capital of the Buryat Republic, from which airway, highway and now a new rail connection is reaching southward to Ulan Bator, capital city of Outer Mongolia. From Ulan Ude the train climbs through hilly forestland, known as "tiaga," until open country is reached around Chita. There, in the broad low valley where Chita stands, one sees the first evidence of that feverish activity which becomes increasingly noticeable as the journey continues. New buildings are rising on all sides. A busy airfield pro-claims its importance as a military center.

Beyond Chita one branch of the Transsiberian turns southward to Mukden and traverses Manchukuo to China; this is the route usually taken by overland travelers between Europe and Asia. It is about 300 miles southeast from Chita to Manchuoli, point of entry into Manchukuo. But the other line of the railroad continues eastward, hugging the border for nearly a thousand miles.

This is the section which changes one's views of Siberia. This is the actual borderland, the truly strategic area, and as the train rolls on though Kuebeshefta and the new Jewish settlement of Birobijan one sees miles of rolling downland watered by broad rivers. Farms mark the hillsides, new settlements dot the valleys and tractors are reaping the grain.

It is a young country, really, for young people. In Russia most men who have reached 40 look as old as their fathers should. They have endured privation almost without parallel and have run the gamut of emotional experience as few generations before them. Such men read their newspapers slowly and express few opinions—they have seen much and are cautious. But the youngsters, in contrast, are voluble and excited. This is the land of youth and, for the loys and girls, a land of opportunity; those one sees are settling the danger lands of the East in the spirit of the pioneers who set out for the unexplored West in America.

The train continues on around the northward jump of Manchukuo, and at last comes to Khabarovsk, headquarters of the Far Eastern Red Army, where the Ussuri comes in from the south to join the Amur, which turns sharply north. The train crosses a two-mile bridge and the traveler is in the Maritime Province. The main line of the Transsiberain turns southward here to Vladivostok, while a branch line follows the Amur to Nikolaievsk at its mouth.

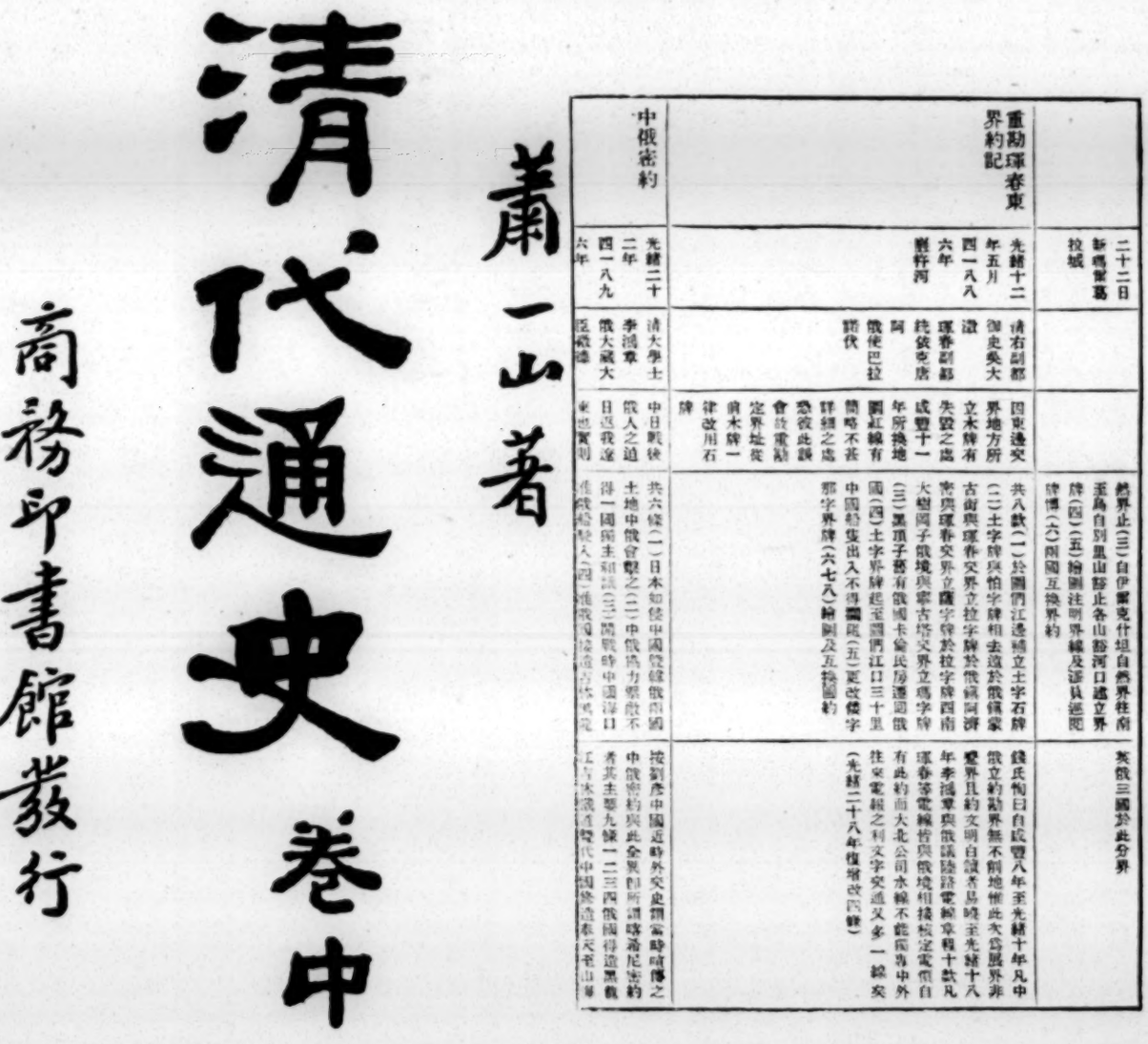
Activity Everywhere

All down the Maritime Province men and women are at work, building roads, bridges, freight lines and sidelines for the railroad. The whole country throbs with activity, collective farms growing into villages, villages becoming towns, towns becoming bustling centers of industry, each with its airdrome—that roar of planes overhead mingles with that of tractors in the fields.

Vladivostok itself has all the appearance of a town on the edge of a war area. It is built on a promontory and sprawls over the hills, a fishing harbor on one side, the commercial port on the other. Ramshackle trolley cars run along a few cobbled sreets; when it rains the place is a morass of mud, and when the sun shines there are dust storms. Half a million people live within a radius of fifteen miles, but the place is forlorn. Some day it may rival Sebastopol in appearance, for like all Russian towns it has its Five-Year Plan of rebuilding, but one may safely predict that little will be done until the war danger is over.

On the map the Maritime Province appears like a misshapen pear, hung out on the end of the 6,000-mile branch which connects it with Moscow. So, indeed, did the Japanese military regard it once– in 1931 Japan could have plucked it without difficulty, for in those days the Red Army stationed at Khabarovak consisted of only six divisions, none too well equipped and wholly dependent on the West for supplies and munitions. But at that time Japan

CHINA'S EVIDENCE OF DISPUTED TREATY



Chinese evidence that the Sino-Russian Treaty of 1886 exists. The above reproductions are from a Chinese book entitle "General History of the Ching Dynasty," Vol.II, by Prof. Hsiao I-shan, published by the Commercial Press, Shanghai. (Left) the cover of the book. (Right) the text of the treaty.

took Manchuria; and now the Maritime Province has changed, and has grown thorns.

For one thing, the province is populous. Samples of almost every race in the Orient can be found there. At almost any hour the waiting room of the Transsiberian terminal at Vladivostok has the appearance of an ethnological museum. In the southern section of the province Koreans predominate; some have lived there for generations others are newcomers who have fled from their homeland to escape the Japanese. At one point Koreans can be seen working tractors on a collective farm within sight of their countrymen across the border who are still plowing with oxen and wooden tools. But for all its strange mixture of races, the province is overwhelmingly Russian.

That also means that the province is armed. Exact figures regarding the armament are, of course, unobtainable. Estimates, however, place the number of tanks and armored cars east of Baikal at a maximum of 1,000; of fighting planes, about 800. And there are at least a quarter of a million troops stationed in the area; if recent reports are to be credited, their numbers are rapidly increasing. More than that, the Far Eastern army is no longer dependent on Moscow. The new settlements insure food supplies, and even munitions are largely derived from local sources.

New Railway Finished

To make assurance doubly sure, the Russians have now com- pleted a new railroad parallel to the old Transsiberian, but far north of it, beyond reach of Japanese bombers. This new line tends to transform the miltary strategy of the whole area. Starting from Krasnoyarsk, 600 miles northwest of Irkutsk, it runs north of Lake Baikal, taps the rich mineral fields of the Lena River basin and con- tinues to the mouth of the Amur, where it joins the line from Kha- barovsk.

The old theory was that the Transsiberian had only to be cut around Chita in order that Far Eastern Siberia should fall to the invader. Accordingly, the Japanese military long sought to promote a scheme for an "independent" Mongolia, a State to unite the nearly 5,000,000 Mongols in Manchuria, Inner and Outer Mongolia and the Soviet's Buryat Republic. But despite Russia's blunders, Japan's "peaceful penteration" of the area made little progress and other methods were adopted. These included encouragement of the ambitions of the Mongol Prince Teh and finally the "dress rehearsal" war in Inner Mongolia.

The writer was present soon after the outbreak of that war and saw it fail. The puppet army of Mongols and Manchukuoans, although largely officered by Japanese and supportd by Japanese aircraft, was defeated by the fierce Chinese resistance. The campaign was of great importance, however, since it served to focus the growing Chinese patriotic fervor and was to some extent responsible for the Sian affair and the subsequent reorientation of Chinese policy. But today's tension along the Manchukuoan border is a result of the fact that Inner Mongolia is now largely in Japanese hands.

Newsweek

The map shows how Japan must move troops into Manchukuo and how these routes are subject to interference by the Soviet submarine fleet in Vladivostok harbor and the 1,200 war planes which Russia maintains in her Far Eastern territories as protection against a possible Japanese invasion.

The Treaty Dispute

On the surface, the Russo-Japanese dispute centers largely around the authenticity of the Sino-Russian Secret Treaty of 1886, regarding the demarcation of the boundary between the two countries east of Hunchun. Moscow has steadfastly maintained that such a treaty exists, while Japan, when charged by the Soviets that she had failed to respect Soviet rights as outlined in the treaty, said she could not be expected to since she did not know of the treaty's existence, and doubted whether such a pact existed. Chinese sources have said that the treaty does exist and neutral Chinese observers have produced evidence to prove it.

Merger of Three Mission Hospitals to Aid China's Medical Education

One of the most significant development in the field of medical education in China has been the merger of three big missionary hospitals in Chengtu, capital of Szechuan Province, into a teaching hospital for the medical colleges of three leading universities that are now established in that western city.

The three hospitals are the Canadian Mission Hospital for men, the Canadian Mission Hospital for Women and the Eye, Ear, Nose and Throat Hospital. They are along the biggest of their kind throughout China, each with a history of more than twenty years. The three leading Chinese universities directly benefited by this move are the Central University which has its medical college in Chengtu, the Cheeloo University removed to the Szechuan capital from Tsinan, capital of Shantung Province, and the West China University. The medical colleges of these three universities have a total of more than 200 students.

The merger of the three missionary hospitals to accelerate medical education for China's war needs was made possible by the China Foundation for Educational and Cultural Advancement in China in custody of the American Boxer Indemnity refund which has promised to make an annual grant of $160.000. But more than $320,000 annually will be required to run the three hospitals as combined teaching hospital. The other half, it has been agreed, will be borne by the three universities concerned in proportion to the number of students they have in their respective midical colleges.

The joint hospital will have for its director Dr. Shan-nan Cheer, dean of the Medical College of the Central University. Dr. Cheer is well-known as one of the outstanding medical exports in China.

American Doctor's Defiance of Danger

Bombing or no bombing, Dr. Logan H. Roots, American surgeon who was stricken with appendicitis on the eve of the disastrous August 11 and 12 raids, is anxious to return to the Church General Hospital in Wuchang, a city opposite Hankow on the Yangtze, which has become an acute danger zone because of frequent Japanese air attacks killing and wounding more than 2,000 Chinese civilians during the last two months.

Recuperating in a hospital in Hankow, the American doctor gets more and more impatient every day at his slow progress. Apparently the change in role from that of a physician to patient does not suit him. In fact nothing will please him more than being able to walk and work again among his Chinese patients.

True, the city of Wuchang since the beginning of August has become greatly deserted by its residents for fear of being blasted to bits at any time by missiles indiscriminately released from Nipponese warplanes. Many, however, remain. As they are liable to be wounded, they will need doctors. That is why, Dr. Roots said, he wants to be back in Wuchang as soon as possible. The saddest news to Dr. Roots after his operation was to hear of the removal of his hospital to Hankow for practical reasons. On several occasion, Japanese bombs exploded dangerously close to the hospital. Leaderless, many on the staff were greatly unnerved. Others, especially the women nurses, were almost exhausted by the continual strain of emergency work under intense danger.

Dr. Roots has decided to go back to Wuchang to re-open the hospital, and he is going to stay there until his services are no longer needed. Sometimes it is discouraging, he said, when one thinks of the amount of time and energy needed to save one life or one limb, while all around innocent people are being slaughtered en masse in aerial warfare. Before he entered hospital himself about two weeks ago, Dr. Roots treated hundreds of wounded civilians at his own institution. Most of the cases were frightful ones. After each Japanese bombing, he and his colleagues had to operate on scores of casualties at a time.

The Church General Hospital is supported by the American Church Mission. Dr. Roots was trained in Harvard. His father was until recently Anglican Episcopal Bishop of Hankow, who is now on a world tour after having worked in China for more than 40 years.

Goodbye Peiping!

BY S. T. HSIEH

(Editor's Note—The auther of this article just left Peiping one month ago)

OLD Peiping was a place where you intended to stay two days and then you found it was "good" for a two-year sojourn. I lived there four years. But now I had to leave it behind. I left because of the Japanese militarists.

Peiping is being Japanized. Since its occupation last year, the Japanese have been attempting to change the outlook of the city and its people by a process which the Japanese propagandists would call "Restoring the glories of Peiping," but which is obviously a deliberate scheme to absorb and poison the minds of the people.

Everything out-of-date for the modern civilization is being restored by the "Peiping Provincial Government," in the attempt to win the sympathies and support of the contented *Peiping-jen* In the first place, the puppet regime hoists the obsolete five-colored flag of the Chinese Republic. Its official organization, called the "Hsin Ming Hui", has for its emblem a standard bearing the T'ai Chi or Extremes, symbolic of a Chinese philosophy.

All worn-out and feudalistic teachings are being revived. The government allows the people, both Japanese and Chinese alike, to trade and indulge in opium, heroin, morphine, "white powder," "red pills," and other narcotics. Such a slow form of cruelty is equivalent to, if not worse than, the Japanese bombing, plundering and raping of Chinese civilians. It is a deadly poison.

About 1,300,000 Chinese were drug-addicted in the four Northeastern provinces, according to official reports released by Tokyo last year. That figure represents one-third of the total population in that part of China. About 1,000 Japanese hongs engaged in this vilest trade in the Tientsin Japanese Concession and more than 200 drug manufacturers, employing 10,000 Chinese laborers, are working day and night to supply these poisonous drugs.

Dope Dens of Peiping

At Peiping drug stores flourish by the hundreds all over the city. Such stores are euphemistically balled "Native Medicine Stores". At Hsin Chieh K'ou, West City, alone, not less than 20 shops deal in narcotics, and moreover they provide addicts with the necessary equipment. Even at Morrison Street, popular shopping district in the East City, not less than four native medicine stores may be found; retails shops inside the Tung An Market become agents of large drugstores, making the drugs easily available for the addicts. How many such stores may be found in the Chinese district outside Chein Men is indeed beyond imagination.

Besides drugstores, there has also been a mushroom's growth of otherekinds of stores. The Japanese population in Peiping, which has increased buy the thousands, are engaging themselves in various business ventures. They by and build old and new buildings, by force of otherwise, and start business in photographic supplies, hostery, transportation, stationeries, entertainments, and daily necessities. Among the established enterprises taken over include the Astor House Hotel, the Capitol Theatre, and the Home Sweet Home.

There is a touch of Japanese atmosphere everywhere in the city. You see Japanese flags, shopsigns and advertisements, neon lights, military cars women and all. Even the ricsha pullers may once a while mistake you, if you are a Chinese, for Japanese citizens. If you go to Pei Hai or Central Park, you will have a queer feeling that you are in Tokyo. As to the markets, cabarets and cafes, they kinds are "in bounds" to Japanese troops.

One of the means used for the Japanization of Peiping is the newspapers. Perhaps no other line of human activities is so greatly affected by the war as the profession of journalism. The Chinese press and foreign press at Peiping is completely in the hands of the Japanese. The *Hua Pei Jih Pao* former organ of the Kuomintang, the *Chen Pao* of Gen. Sung Chih-yuan, the *Shih Pao*, independent mosquito paper with the biggest circulation in North China, the *Shih Chieh Jih Pao*, independent, fell one after another into the hands of the Japanese militarists. The *Peking Chronicle*, sole English daily, was also bought by them last November.

Now, unless you read the *Peking and Tientsin Times* or *North China Star*, both of Tientsin, you know nothing of the victories of Chinese armies. Every morning when you pick up a newspaper, the first things that strike your eyes are headlines bearing "Nippon Imperial Soldiers Push Southwest." "About 2,000 Kuomintaing Troops Annihilated in the Central China Front," and "Hopei People Contened under Japanese Jurisdiction." Generalissimo Chiang Kai-shek, still alive and well, has been reported dead several times in the Peiping newspapers! In the case of the machinegunning of a C. N. A. C. plane, the *Kweilin*, by the Japanese, the Peiping press reported that it was all due to engine trouble!

Secret Press Laws

In this connection, it may not seem out of place to speak of the secret press laws which was issued by the Japanese Military Garrison in North China last September, and which I, as a student of journalism, had the luck to encounter. There were about 30 to 40 articles pertaining to the Sino-Japanese War in the press laws, some of which I mention at random below:

That the Chinese troops shall not be called Chinese troops but "*Tung Chun*" or Kuomintang troops (Note: The Japanese insist upon the "fact" that they are not at the war with the Chinese race, but with the Kuomintang or the Chiang Kai-shek Regime.)

That no articles or dispatches shall be published describing the cruelties and the immoral deeds of the Japanese Imperial troops to the Chinese civilian;

That it shall be fully realized that Japan does not want war with China, but that what Japan is doing is an attempt to save the Yellow Race from becoming communistic, which is a dangerous menace to the peace and order of the world;

That the corruption of the Kuomintang officials shall be exposed every now and then in the newspapers;

That reports shall be published to the effect that for the welfare of the Chinese people in the North China, the Japanese are trying to restore peace and order and prosperity; and to it goes.

Thus, in the Peiping newspapers as the Japanese troops have so far never lost a battle and they have so far never raped Chinese women and slaughtered Chinese children. Everything is cream and peaches.

Another means used in the Japanization of Peiping is the so-called "good neighbor's policy." A well-known foreign correspondent at Peiping estimated that the Japanese Spokesman Office has at least spent some $25,000 for entertaining foreign correspondents at press conferences, dinners, cocktail parties, aeroplane trips, hotel accommodations, and military interviews. To the Chinese public they give free movies, free exhibitions, free drinks and all.

No Peace for Military

Outwardly, therefore, these is peace and order and prosperity at Peiping. As a matter of fact, however, the Japanese militarists are living in a state of fear. Why not, when the Chinese guerillas are constantly harassing them all around the city, derailing trains, disrupting communications, attacking stations, filtering into the city gates? The gates of Peiping have been closed for many an "emergency" time. At one time, when the situation was tense, all suspicious people entering into the city were inkstamped for identification in case untoward accidents occurred. When a high Japanese official is going to pass along a street, martial law is at once enforced in that street. For many times, martial law was enforced from Grand Hotel de Pekin to the Summer Palace a distance af about seven miles, because Japanese officials (e.g. Prince Chichibu of "Mnchukuo") would pass along the itinerary.

No, Peiping is far from being orderly and peaceful. It can never be, unless the Sino-Japanese war stops. Life in this old city is becoming boring and disgusting. The air is to full of Japanese atmosphere. And if you are a hot-blooded young man, you just cannot stand it. Neither can I.

So, goodbye, Peiping!

Undersea Highway Planned in Japan

In addition to the Railway Ministry's tunnel between Shimonoseki and Moji, now under construction, the Ministry of the Interior has decided to open a motor road under the sea bottom at Hayatomo-Seto over the shortest route between the two places, *Domei* reported. A four-year construction project costing Yen 14,000,000 will be started next spring.

The projected road will be 7.50 meters wide and have two "stories," the upper one for motor cars and motorcycles and the lower for bicycles and pedestrians. The road will serve also as part of the nation's air defense facilities.

Rickshas to Run Until 10 at Night

About 600 ricksha pullers in the Hongkew district were given permission to run until 10 o'clock at night beginning Sept. 7 for the convenience of the Japanese community. The former period for their operations, permitted until 6 o'clock, has been lengthened by fours hours. Such places as Scott Road and North Station, formerly prohibited points, have become accessible to the popular vehicles, the papers said.

China at the Youth Congress

BY KEN EASTERLY

Trans-Pacific New Service

(Special to the China Weekly Review, via Clipper airmail)

IF the Second World Youth Congress were the League of Nations then China should be one of the proudest and happiest nations in the world. For one whole week, the Chinese Delegation to this young people's conference reigned as the darling of the delegations from 57 countries, who gathered on the campus of Vassar College for girls, in the tranquil town of Poughkeepsie in New York State, to discuss questions of world peace.

Wherever they moved, whenever they spoke—whether it was at the pier of the French liner Normandie on which they arrived, or in the numerous Chinatown receptions, or during the commission meetings and plenary sessions of the Congress—the thirty young men and women of the Chinese Delegation, especially the fifteen who came directly from China, were invariably the center of interest and the object of tremendous ovations.

The Chinese was the largest group who traveled the longest distance to attend this jamboree of 500 youths of all nationalities. The delegates who wore the Blue-Sky-and-white-Sun colors also presented their case and proved a living example to the gathering as victims of aggression—not that Japan's brutal acts of invasion were in any way unknown or even obscure to this group of peace-loving and internationally-conscious youths. In the heated debates and prolonged deliberations of the commissions, the Chinese representatives fought and won recognition for the principles collective security, international cooperation for peace and against war, joint sanctions against the aggressors and aid to the victims (specifically aid to China in resisting Japan)—not that these resolutions of the Second World Youth Congress were anything but a foregone conclusion.

There are other characteristic Chinese touches during the nine day conference which are likewise only to be expected. Mrs. Henry Noble MacCracken, wife of the famous "Prexy" of Vassar College, who played host to the youths from six continents, remarked to the effect that she thought the Chinese Delegation "the best-behaved" on the entire campus. On the sixth day of the sessions, the Chinese helped their confreres relax by generously treating to an ice-cream cone party and, with the ever-ready financial assistance of New York's Chinese community, an eye-filling fireworks display, thereby quietly stealing the show.

Next Meeting at Nanking?

The only surprise came at the end of the conference when the international secretary of W.Y.C., England's comely "Betty" Shields-Collins, announced that the Third World Youth Congress would be held in Nanking, China, and she didn't mean under the puppet government either. Young Dajusman of Indonesia, or more familiarly, Java, of the Netherlands East Indies, spoke the sentiment of many a youth delegate when he said that China was the only logical nation in the Far East to play host to the world's peace-loving youths in 1940. But it remained for Joseph Cadden, chairman of the organizing committee of this year's Congress to best summarize it. He said: "I don's see why it should be necessary for us select China as the next meeting place for the World Youth Congress—the Congress at Vassar is already a Chinese Congress.

Mr. Cadden, the young American student leader from Brown University opened the Congress officially on August 15, at New York City's municipal stadium at Randalls Island. An enthusiastic crowd of more than 23,000 persons jammed the stands to view and cheer the 500 odd delegates who claimed to represent 40,000,000 young people all over the world. A powerful spotlight streaked across the field in the still of the mid summer night, revealing one by one the national group as they made their entrance in a parade of flags and torches, to the blare of marching music. The Spanish Delegates got a big hand, while the crowds chanted "Lift that embargo!" and now came the unusually large Chinese Delegation, and the sympathetic demonstration rose to a crescendo of cheers, with the intermittent rallying cry: "Boycott Japanese goods!".

Representatives of the six continents addressed the gathering, F. Y. Young, president of the Chinese Delegation, on behalf of Asia. The Chinese youth brought a message from "bomb scarred Hankow, China's wartime capital, his voice carried by amplifier throughout the stadium and his every sentence punctuated by wild applause. "It is idle merely to denounce war or to express sympathy to the victims of war," he said, "war is an action, and as such, it can only be prevented by a more powerful and potent counter-action".

The only member of the Chinese Delegation who succeeded most in capturing the fancy of the American public, however, speaks no English. She was Yang Hui ming, the young girl Scout who is well-known over here for her bravery in crossing the Japanese line of fire in Shanghai last October, delivering a Chinese national flag to the "Doomed Battalion" beseiged in a Chepei warehouse. The press featured her picture and recalled her exploits. Autograph-hounds mobbed her for her name "in Chinese". She appeared newsreels, addressed meetings and spoke over the radio. American everywhere were charmed by the dark and vivacious Chinese girl, in her Girl Scout's uniform, with the infectious smile and eloquent gestures. They are moved and saw a new type of Chinese woman as they listened uncomprehendingly to her fiery talk (in Chinese).

"Dear brothers and sisters of America!" Yang Hui-ming would say. "The Japanese are massacring our Chinese people. Yet we scouts—we save both Chinese and Japanese wounded soldiers at the front. You must help us fight for peace and end the horrible war!"

Democracy Keynote

The other members of the Chinese Delegation acted as Miss Yang's interpreter. As a matter of fact, the auditorium of the Students Building at Vassar College was equipped with earphone at every seat through which the audience gets each speech translated in four different languages, after the fashion of a League of Nations Assembly.

Through these earphones, the 500 delegates and many more observers from all parts of the world heard the Congress reaffirm the principles of Democracy, justice and international cooperation, and also heard the terms of a "Vassar Peace Pact" against war and aggression, signed by 47 of the national delegations, who pledged their respective youth organizations at home to the ideals of collective security and peaceful change in international relations.

The work of the Second World Youth Congress was divided into four commissions: (1) The political and economic organization for peace; (2) The economic and cultural status of youth and its relation to peace; (3) The religious and philosophical bases of peace; (4) The international role of youth. The youth delegates also dealt with "immediate problems" which disturb world peace.

"While discussing the prevention of future war," reads the report on political and economic organization of peace, "the Commission was ever mindful of the present acts of aggression and threats of aggression. The great ovation given to the delegates of China, Spain, Czechoslovakia, Austria and Ethiopia were a recognition that the action of their peoples were a contribution to peace and democracy."

On the immediate problem of China's invasion by Japan, the report to the World Youth Congress proceeded: "Having expressed their admiration for the gallantry of the Chinese people and welcomed their newfound democratic unity the Commission considered how best the aggression could be stopped and China's territorial integrity restored."

The Commission made the following recommendations:

1. An embargo on the supply of all war materials, oil and loans to Japan.
2. A Governmental boycott of all exports from Japan.
3. A popular boycott of Japanese goods and positive assistance to China by purchase of her products.
4. An internationally guaranteed loan to China to enable her to buy the aims necessary for her defense and to repair the ravages of war.

Another Commission, which reported on the economic and cultural status of youth and its relation to peace, submitted cablegrams of protest "to be sent immediately not only to aggressor governments but also to youth organizations in those countries to agitate strongly against the destruction of cultural and educational centers." The Commission's action was prompted by the facts presented by the Chinese Delegation of Japan's deliberate bombing and destruction of Chinese schools universities, libraries and other educational and cultural institutions.

On the organization of peace in general the report states:

"Underlying all the discussions in this Commission was the firm resolve that the wars now waging should be stopped, and the determination that by bold and courageous actions, all threat of future war should be removed. Undismayed by the catastrophic deterioration in international morality and by the growth of the forces making for war, youth, once again affirmed its belief that a new world order could be established in which a lasting peace could be found on justice and preserved by the cooperation of mankind . . ."

Respect for Treaties

The report points out that there must be respect for treaties freely accepted, and that international law must be enforced. The Kellogg-Briand Pact outlawing war as an instrument of national policy and the Nine-Power Treaty, which guarantees China's territorial and administrative integrity, were mentioned by the youths in particular as treaties which must be applied. The majority of the delegates also agreed on the necessity for "discriminating in the treatment of the aggressor and his victim," for the organization of "deterrents to aggression" and for "quarantining" the war makers.

Official delegations from Germany, Italy and Japan—three whom the Americans have in mind when they say "aggressor nations" were prominently missing from the Second World Youth Congress. A handful of Japanese boys and girls were locally dispatched to the thankless task of "observer" at the conference, but their presence, according to *The Poughkeepsie Eagle-News*, was

ignored by the Chinese Delegation, and, according to this observers practically by everyone else.

These Japanese youths must have spent their most uncomfortable day on August 20, when the Chinese Delegation, with the help of the World Students Association, gave a reception, for their fellow Congressmen. The pro-Chinese audience listened to Chinese delegates who told of the part played by the youth of China in her war of resistance, and to three members of the International Student Delegation recently returned from a tour in China, who gave their first-hand reports of experience on Chinese warfronts and eye-witness accounts of Japanese barbarities.

In the evening, after an international variety show, more than 6,000 visitors who were on the campus for the day thronged the banks of the Vassar Lake to view the fireworks staged by the Chinese Delegation. The colorful display included American and Chinese national flags, a portrait of Generalissimo Chiang Kai-shek, and the words "Long Live China!" and "Youth of the World Unite for Peace" spelled out against a sky of shooting stars.

Mrs. Roosevelt Speaks

To complete the China touch on the Second World Youth Congress, many messages from prominent Chinese were read to the gathering or distributed among them in the course of the sessions. They include cables from Dr. Wang Chung-hui, Minister of Foreign Affairs, General Chen Ching, Minister of the Political Department of the Military Affairs Commission, Mayor Tseng Yang-fu of Canton, and Madame Sun Yat-sen.

Among the public figures of America, Mrs. Franklin D. Roosevelt showed the greatest interest in the proceedings of this youth conference for peace. Besides acting as the main speaker at the first regular session of the Congress, the First Lady made three more unannounced visits from her home in nearby Hyde Park to be an interested onlooker at the business meetings and entertainments of the Congress. Adolphe A. Berle, Assistant Secretary of State, and Mayor Fiorello H. LaGuardia, were among the speakers at Randalls Island. The Mayor of Greater New York endeared himself to the youths when he voiced his hope in the Congress as "cannot accomplish less than an international disarmament conference." Thus, the American Delegation who sponsored the Congress found enough encouragement from their own countrymen to counteract the "Red" charges from the American Legion and from the Dies Committee on Un-American Activities in the House of Representatives, and the fact that the Mayor of Poughkeepsie denied the Congress an official welcome.

New York City, Aug. 30, 1938.

Mexico Defends Oil Well Seizures

President Lazaro Cardenas, speaking before the International Congress Against War and Fascism in Mexico City Sept. 10, attacked the doctrine permitting a nation to protect its citizens' investments in foreign countries. He said the policy resulted in "diplomatic war followed by economic was and then even by armed war." "A citizen who leaves his country," the President said, "must accept all the circumstances."

President Cardenas said the concentration of wealth was one of the causes of war and defended the expropriation of foreign oil properties in Mexico. "Wealth which is neither the product of work nor capital should be enjoyed by all, be declared.

The president also protested against wars on and bombing of open cities.

The Chief Executive, who suspended diplomatic relations with Great Britain last May 13 in a dispute over land payments and as an aftermath to the expropriation of British oil properties in Mexico, received a great ovation from the delegates to the Congrees when he stated his policy.—

American Answer Ready

Cordell Hull, Secretary of State on Sept. 11 convoked several State Department advisers to inform them of the text of the American note which will be sent to Mexico shortly through the United States Ambassador in Mexico City, refuting the Mexican arguments in connection with the expropriation problem and reiterating the views already outlined by Washington. The United States considers it indispensable that Mexico give a guarantee in principle that she will settle the question of indemnities for expropriated properties, in order to allow for the creation of the commission of mediation and arbitrage already suggested by the United States.

Meantime, thirty thousand American troops have been massed on the Mexican border as Hull indicated that a new and firmer note would be sent to the Mexican Government on the controversy over settlement of expropriated United States lands. The armed forces went through military maneuvers while precautionary measures were taken on other fronts. A large portion of the United States Navy was en route to the Atlantic ocean for war games preparatory for spring manoeuvres in which almost the entire fleet will engage. Inspection of coastal defences was understood to be under way.

Removal of Factories to Interior

With a view to assisting the removal of Chinese industries to the interior, joint office has been established in Hongkong by the Ministry of Economics and leading Chinese industrial establishments to take charge of transportaion.

It is learned that Messrs. Wu Went-chu, Mong Tsang-chen, Yu Ming-chueh, Chwang Mu-jui and other industrial leaders, have been asked to serve as mombers of the new organ. Meanwhile, it is further understood, plans are being made by Shanghai native goods manufcaturers for the establishment of a large corporation in the Southwest.—News Digest, Sept. 10. Over 100 factories have been established recently in Yunnan Province, because of the well-developed communication of the province. To assist the industrialists to develop industry in the province, the authorities have advanced more than $4,000,000 already this year.

Shanghai Rebuilding Plans Prepared

An ambitious scheme has been devised by the "Reformed Government's Ministry of the interior and the new "Shanghai municipal government" for the development and rebuilding of Shanghai, *Domei* reported last week. The area involved, according to the scheme, will include Wocsung, Kiangwan, Yinghsiang, Kaochiao, Kaohong, Yanghong and Yinghong.

Plans are being mapped out for the building of a network of wide roads, the erection of wharves along the waterfront and the laying out of several large parks. No building whatever will be allowed to be erected in the areas which have been marked out as sites of the proposed roads, wharves and parks. A set of regulations also was published by the "Ministry of the Interior," governing the requisition of land for the proposed roads, wharves and parks. Under these regulations, a committee of five members will be appointed to determine the amount of compensation to these whose lands have been surrendered to the government in connection with the city rebuilding plans. The area of the land required and the period of the requisition of the land also will be determined by the committee.

Persons whose lands and buildings are within the area required by the government must report details concerning their property to the new Shanghai municipal government within a specified period, according to a separate set of regulations. The "municipal government" may dispose of certain property if the owner or owners of the property fail to report within the specified period.

To Exhibit Maps

Maps showing the boundaries of the Shanghai area involved in the rebuilding plan are being kept by officials of the Shanghai Revival Bureau which has as its object the recovery of Shanghai's lost prosperity. In the not distant future these maps will be on exhibitions for those who are interested in the city rebuilding plan.

The new "Shanghai municipal administration" has published a notice over the signature of Su Hsi-wen, "Mayor" of Shanghai, on the declaration of ownership of land and houses, preparatory to the administration's purchase of property for the rebuilding project. If the owners of houses and lands who are under obligation to report on them fail to do so, their properties will be treated in accordance with the regulation of Article II and III of the provisional Regulations for Assessment of land and Buildings.

All those who have land or houses in the districts of Wocsung, Yanghong, Yinghong, Kiangwan, Yinghsiang, Kacchiao and Kaohong are under obligation to give reports on their properties during the period of Sept. 20 to Oct. 10, forms being provided at the offices receiving them. The receiving offices will be established at the following places: No. 1, at the corner of Jessfield and Kinnear Roads; No. 2 on Police Bureau Road, Lengneedoo, Pootung; No. 3, at the site of the fire brigade office, Small South Gate, Nantao; No. 4, on Main Street, Kiangwan; and No. 5, at the Kaochiao village administration office.

New Japanese Schools to Be Built Here

With the Japanese population of Shanghai soaring well over 40,000 and the number of school age children rapidly increasing, plans are under way to build a boys' middle school and a new primary school in Shanghai, the *Mainichi* said this week.

A Japanese Middle Shcool will be established soon on Matsui Chimei Road near the Japanese Girls' High School. It will cover an area of 10,000 tsubo and cost about 250,000, the paper said. A hundred pupils will be enrolled in April of next year.

Before the completion of the schools classes will be conducted temporarily in the Northern Primary school on North Szechuen Road, the daily stated. The Japanese Commercial School is the only educational institution at present for boys who have completed the six-year primary course. The commercial School accommodates 120 puplis annually, according to the Japanese daily.

The plan for the establishment of a new primary school will be brought before a session of the Japanese Residents' Corporation Sept. 20. According to the present plan, the primary school will be built also on Matsui Road, covering an area of 15,000 tsubo.

With the establishment of these two schools, one of the most acute problems facing Shanghai Japanese will be solved, the journal concluded.

Reformed College Opens

An opening ceremony of the Reformed College was held Sept. 10 at the site of the former Fuhtan University, Kiangwan. A large gathering of Japanese and Chinese officials were present. Entrance examinations for students of the college were held recently at Nanking, Shanghai, Soochow and Hangchow.

Major-Gen. Kumakichi Harada, Chief of the Special Service Section of the Japanese Army, is the president of the college, which has been established for the purpose of enhancing the relations between China and Japan and assisting the new government in Nanking in carrying out its tasks, *Domei* said.

The Kweilin Tragedy and U. S. Policy

BY C. Y. W. MENG (孟昭法)

THE attack, machine-gunning and bringing down of the "Kweilin" owned by China National Aviation Corporation, while on her way from Canton to Hankow on August 24, is certainly another intentional, premeditated and malicious Japanese atrocity against the Chinese as well as foreign civilians and non-combatants. The "Kweilin" (as other commercial planes) was painted a silver color with big words —"C.N.A.C."—on both sides of the wings and another big word—"Mail"—in blue in the center of the plane. It is perfectly visible from all sides. There can be no grounds for a claim of "mistaken identity," as the Japanese said.

According to the account, one Japanese plane went up to attack the "Kweilin" from some 4,000 feet high. But three minutes later, three pursuits joined in fierce attack. When the "Kweilin" was being brought down, the four Japanese pursuits continued to machine-gun it. Nothing is more clear than that the attack was intentional and premeditated.

According to a *Reuter* report from Canton of August 24, Mr. Sun Fo, President of the Legislative Yuan, who had just returned from his world-wide trip to Europe and the Soviet Russia, was at first scheduled to start his returned journey to Hankow by the "Kweilin," but later he left on an Eurasia plane. It is generally believed here that the attack on the "Kweilin" has its principal purpose on the life of the President of the Legislative Yuan, whose trip to Europe and visits to Moscow has already caused considerable consternation and alarm in Tokyo.

The C.N.A.C. is the *first* Sino-foreign and the *first* Sino-American joint undertaking, formed since the founding of *nationalist* China. This corporation differs materially from all other Sino-foreign joint enterprises formed during past defunct regimes. It is a joint enterprise where the Chinese own majority of the shares (51 to 49); where the Chinese managing-director is not a figure head but one who really controls and manages the whole business; and where the enterprise is under the Chinese law and government control. Since its establishment, it has been rapidly developing air service in the Middle Kingdom.

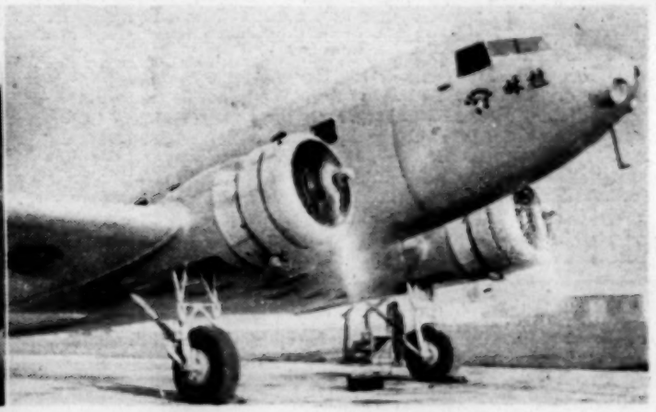
When the "Kweilin Tragedy" was first reported, all the Chinese papers burst into wrath in characterizing the Japanese as "an international rascal" and in strongly condemning another Japanese "atrocity" in China. But in course of their discussions, they always refer to the American policy in the Far East, declaring that the "Kweilin Tragedy" is another acid test of the American "patience" and "policy" towards Japanese aggression in China, which, as the Chinese point out repeatedly, should undergo another revision. The following editorials from some leading papers in Chungking, now China's war-time capital, are self-explanatory.

Another Test of the American Patience

In an editorial on "Can the U.S. Be Patient Any More," the *Kuo Min Kung Pao* of August 25 pointed out that "after President Roosevelt's famous Chicago speech when the American Chief Executive made a bitter attack on aggressors, Japan retaliated by bombing and sinking the Panay. So after the President's recent speech in Canada when the American Chief Executive made another bitter attack on the aggressors, Japan retaliated by attacking, machine-gunning and bringing down the 'Kweilin' jointly owned by the Chinese and American commercial interests. The Kweilin tragedy is by no means less serious than the Panay Affair. But the Panay Affair was allowed to be concluded by an apology and a promise to pay reparations. But will the American Chief Executive take far more effective steps to cope with the atrocious Japan." asked the paper.

"Is it not a demonstration of force against the Americans, and a retaliation against President Roosevelt's speech in Canada." Then this Chinese journal went on to remind the Americans that since the outbreak of the war in China, American merchants have been continuously supplying the islanders with munitions to kill the Chinese civilians. The paper then cited one passage from one stirring appeal issued by Madame Sun Yat-sen to the World Youth Conference in which she said that the Japanese troops are using American manufactured armored cars and tanks to attack the Chinese cities and are using American "oil" to operate their aerial bombardments. "This time the Japanese are again using American pursuit plane to attack, to machine-gun and to bring down one American partially owned commercial plane . . . . We do not know what is the impression of the American Chief Executive and the American public . . . . *Could they be patient any more?*" inquired the paper.

"But judging from the Changkufeng Affair," continued the paper, "we know that the Japanese are most afraid of force. So if the Americans could demonstrate their military power in the Pacific, the Japanese would not dare diolate American interests in China. If the Americans would stop selling munitions to Japan, not only the peace in the Far East is saved, but the Americans would be free from difficulties in the Pacific. Therefore, we hope most earnestly that the American government and people will pay due attention to the 'Kweilin Tragedy'," concluded the paper.



Chinese fishermen and divers help tow the plane towards the bank of the river. Note the "Yu" character, meaning "postal," on the body of the plane which is turned upside down. (Right) the ill-fated "Kweilin" before she was shot down.

The *Shanghai Times*, once one of the leading papers in Shanghai but now published in Chungking, in an editorial, pointed out that the "Kweilin Tragedy" is not an incident, but "there is good reason for its happening . . . . "When the Panay Affair took place, it was permitted to be concluded by an apology and reparation, and Washington took no further action. So now, although the "enemy' knows well that the C.N.A.C. is a Sino-American joint corporation, they purposely commit an atrocity. Obviously, they are using the incident as a test case to find out the American attitude regarding Japan in her war on China. We are of the opinion that in order to protect American interests in China, the Americans should *not* be indifferent over the present tragedy, and take no dignified action after hearing the reports. The American public should not be so easily satisfied by empty Japanese words. *If the Americans are still patient over the Kweilin tragedy, they have to prepare themselves to withdraw from the Far East!*" said the paper.

Will The Isolation Policy Still Stand?

In another editorial on the "Kweilin Tragedy," *Hsin Shun Pao*, another leading paper in Chungking, dated August 26, after pointing out that such an attack was deliberate and premeditated, and such an attack constitutes a total violation of the interests and rights of neutrals, concluded that "the attack on the 'Kweilin' is an indirect attack on the American interests in China. In the past, Americans talked and advocated the 'isolation policy' in the Far East. But the aggressor, even up the to present, has never relaxed their provocative activities against the Americans. Therefore, the "Kweilin tragedy' should be a good lesson to those Americans who stand so strongly for the isolation policy, and such a tragedy should be sufficient *to awaken them!*" commented the paper.

In an editorial, the *Ta Kung Pao* (*L'Impeartial*) dated August 25, pointed out "there are two reasons for the Japanese attack on the 'Kweilin': First, destruction of the Chinese air communications; and secondly, a demonstration of force to the Americans. After the Panay Affair, the Japanese did whatever they could to appease the Americans. It was because they needed American munitions and support. But Secretary Hull's statement and President Roosevelt's speech in Canadia where nothing but a warning against Japanese aggression on China. The American demand for free navigation in the Yangtsze River is rather persistent. So the Japanese carry out a demonstration of force to see *what the*

American will do. This is not a small affair, but it is another 'intrigue' by the Japanese which has great political meaning ahead. So if the Americans overlook this affair, far greater tragedies or *another Panay Affair* will occur," the paper said.

"The Japanese are a people who do not care about international faith (or reputation). After the Treaty of Shimonoseki, an attempt was made on the life of Li Hung-chang. After the Treaty of Portsmouth, an anti-American riot was started in Tokyo resulting in driving the American railway king out of Japan. During the present Sino-Japanese war, the Japanese have committed more activities of this mind. The machine-gunning of the British Ambassador to China, the sinking of the Panay, the total disregard of the rights of the neutrals, etc. are some of them. To such an 'international rascal,' it is useless to talk reason. What this international rascal' is afraid of is force. So, if the Americans and British continue to deal with this 'rascal' with politeness, more incidents of this kind will occur. Soviet Russia knows this, so she replied with force in the Changkufeng Affair, and eventually she brought the invaders to submission. *Will the Americans reply to the 'Kweilin Tragedy' with the same action?*" asked the paper.

H. L. Wood, American pilot of the "Kweilin." He was one of three survivors.

The Chinese Hope

Since the outbreak of the war in China, there has been lively discussion among the Chinese about the American policy in the Far East. We believe similar discussion is also going on among the Americans. They probably ask themselves: "Are the Chinese Satisfied With the American Policy—If Not—Why Not?," "What Do the Chinese Hope From Us (Americans)?," "What Should Be the Proper and the Most Appropriate Policy During the Present Japanese Aggression in China—Withdrawal or Active Action?," etc. But the above cited expressions which represent fairly well the public opinion of the Chinese masses will answer all these questions, and indeed give a great deal of food for thought to the American government and public.

Chungking, August 26, 1938.

Missionary Accused of Flag Law Violation

Despite repeated warnings issued by Japanese authorities to authorities and institutions of third Powers in zones of hostilities against letting the Chinese take advantage of foreign flags or insignia, such a case has occurred in Kiukiang, allegedly with the participation of a French Catholic missionary, the Rev. Louis Morel, *Domei* reported this week. The Rev. Morel was accused of "violating provisions of International Law."

According to the report, a Chinese resident in Kiukiang named Wu Chen-piao asked the Rev. Morel, prior to the Japanese attack on Kiukiang, to hoist French flags and paint French insignia on 80 rows of buildings, including several hundred houses belonging to Wu. The French missionary was alleged to have agreed to the proposal and as a result the houses emerged undamaged from the hostilities, *Domei* said. Upon entering Kiukiang Japanese troops found the city damaged by the retreating Chinese and were faced with a housing problem.

Seeing this inconvenience to the Japanese, the Rev. Morel suggested to the Japanese military authorities the sale or leasing to them of the houses which he claimed to be his property, the report continued. Doubting that a missionary would own such a large number of houses, the Japanese officers investigated and learned the truth about the real owner of the houses and the alleged misuse of French flags, the report said. Strongly reprimanded, the French priest "was pardoned after tendering apologies," the report concluded.

Oh, Make Up Your Minds!

On a honeymoon tour of the world, the pair will spend three world, the pair will come Wednesday and spend three Cathay Hotel. —*Shanghai Evening Post & Mercury.*

Yuki Confident in Japan's Financial Strength

Confidence in Japan's ability to finance not only her protracted hostilities with the regime under Gen. Chiang Kai-shek, but also to bring to realization ambitious schemes for Sino-Japanese economic co-operation was reaffirmed in Tokyo Sept. 10 by Toyotaro Yuki, Governor of the Bank of Japan and former Minister of Finance during his weekly press interview. Yuki professed to see a revaluation of Japan's financial strength in Britain and the United States in the light of editorials on the subject appearing in leading news organs in the two countries last month.

"It seems to me that the Kuomintang Government will not be able to describe its flight 'a strategical retreat' when Hankow falls," Yuki said. China, the Governor continued, was able to maintain her financial status thanks to the assistance of third Powers and the nationalization of silver subsequent to the currency reform. Foreign currency holdings were freely used to pay for munitions, while the specie reserve at home was lowered to the very limit, he declared.

With the loss of the bulk of revenue from the Customs, the stamp and consolidated taxes, Yuki continued, China now had to rely on foreign support outside of the remainder of her foreign holdings and procedes from exports.

"Moreover, there is little difference between the private fortunes of Chinese Government leaders and Government fouds. When their private fortunes begin to feel menaced that is when I believe the Chinese leaders will fall out," he said. Citing an editorial of the *London Times* of Aug. 15, Yuki pointed out that it had been noted by the senior British organ that Japan had not suffered from the hostilities, while various readjustments in her industry had taken place to cope with emergency economic restrictions with the result that her exports were exceeding exports since July. The London journal also noted that Japan had never defaulted on her foreign loans.

Meantime, the *New York Times* of Aug. 13 and 14 had commented on Japan's gold shipments, but had pointed out that they did not provide a gauge of Japan's national strength, Yuki declared.

The three-point program for the expansion of production, the promotion of exports and the stabilization of the nation's livelihood, Yuki said would be maintained. Only 15 percent of Japan's war expenditure, are being spent abroad, while loans were being readily digested at home. The need of strengthening the Japan-Manchukuo bloc, both from an economic and a cultural point of view, was said necessary.

Trade Favorable In First 10 Days

Japan's foreign trade in the first 10 days of this month resulted in a favorable balance of Yen 10,634,000, the Tokyo Finance Ministry announced Sept. 10. Exports were valued at Yen 75,124,000 and imports amounted to Yen 64,490,000.

First Sitting of League's Plenary

The first sitting of the Plenary Assembly of the League of Nations was opened Sept. 12 by the New Zealand delegate Jordan in his capacity as chairman of the League Council. In the opening speech, Mr. Jordan referred to the presnet critical situation in Europe and osberved that the outbreak of a war would affect all countries in the world. The speaker expressed the hope that peace would be maintained.

With obvious reference to the attitude of the British Dominions in the event of a war, Mr. Jordan added that no nation who should be guilty of breach of peace could count on neutrality even of the most distant lands. It was the duty of the League of Nations to make every effort on behalf of peace and if the governments of the various member states only showed sufficient courage and resolution, the League would not fail in its duty he said. The difficulties confronting the League were to a large extent attributable to the attitude of certain countries towards the Covenant.

De Valera Elected League Assembly President

The Irish Prime Minister, Eamon de Valera, was elected President of the League of Nations' Assembly Sept. 12 by a vote of 39 out of 42. Up till a few hours before the election, Rumanian Foreign Minister Comnen was regarded as the most likely candidate but it is believed that strong British support turned the tide in favor of de Valera.

Surplus Rice Storage in Szechuan

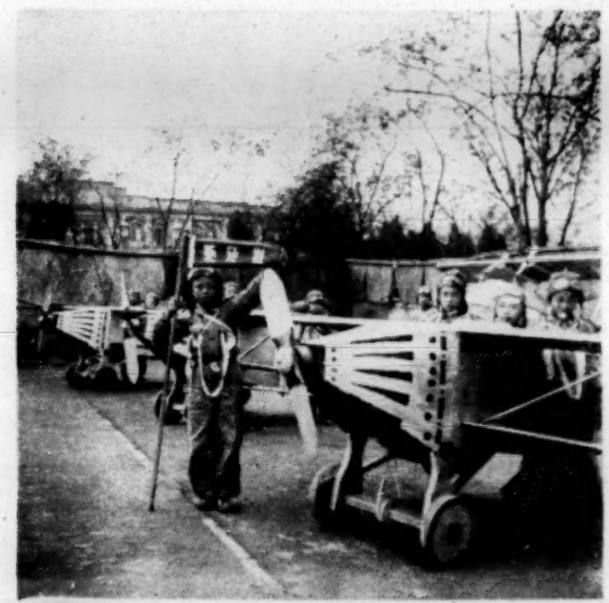
In view of the abundant rice crop in Szechuan this year, resulting in a sharp drop in the price of rice, the Agricultural Cred't Bureau (*Nung Pen Chu*), under the Ministry of Economics, has decided to purchase the surplus rice for storage in granaries. A sum of $5 millions has been earmarked for this purpose. It is learned that surplus rice in Shensi and Kweichow will also be purchased by the Bureau for storage. A sum of $3,000,000 has been set aside for the purchase of the surplus rice in each of these two provinces.

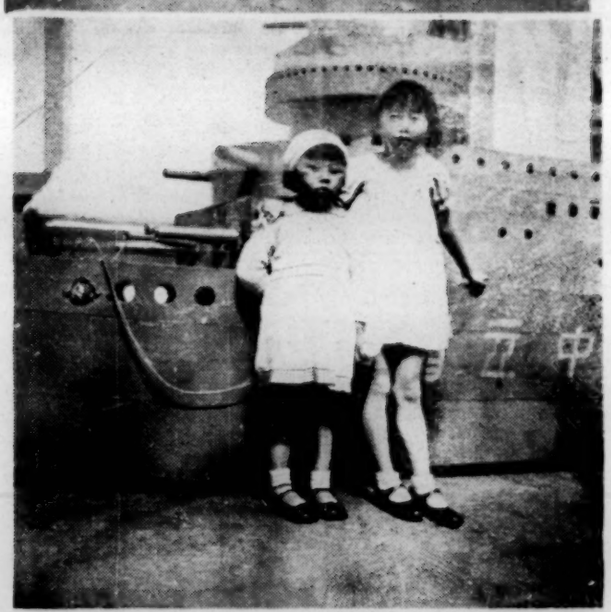
Children—The Growing Asset of China

BY HIN WONG

THE one-cent-a-day, or at least a-dollar-a-year, contribution towards soldiers welfare, by children in southwest, China is being continued only by the many who have started their movement through their Sunday schools or kindergarten teachers. The efforts of the children, inspired by the year's success in the war against aggression, will in the immediate future be directed, however, to the supplementary aid of the grown-up folks.

Children's financial expression, while admirable, involves too much detailed and close supervision by their guardians and friends who are looking for a better program for the coming men and women of China. The movement to found a children's air squadron, as promoted by the youngsters in the wartime capital, will go on as decided upon last April under a committee of adults.





Young China is becoming more war-minded with each passing day. Here are Chungking's children with their near life-size models of airplane in which they play at the game of fighting Japan. Too, they hope for a big navy some day, and it is because of these fact which loom large in the minds of China's youngsters, that they are depriving themselves of luxuries and contributing their pennies to the government.

Since the beginning of the Sino-Japanese conflict, children in the southwest have been doing their part. Many kindergarten children willingly refused their candy served on mid-day in order to devote the savings to war charity, while the older ones have cut down their boarding school mess fee or gone into less expensive uniforms. Many boys these days wear sandals, instead of shoes, while some girls are satisfied with blue, native-make cotton dresses, notwithstanding the world-wide fame of Szechuen crepe and grass linen.

That the "children shall lead them" is no longer a Biblical prophesy. In Szechuen and many other southwest China towns, boys and girls who understand how to use 1,000 Chinese written characters are being organized to help their illiterate neighbors. Some join the mass education movement by editing wall newspapers, or news bulletins, for the information of the general public. Of course, to their many grown-up admirers, the children have been most helpful through their personal service of house-to-house visits to call attention to the government's new orders, to circulate simple literature on public health, air-defence or other knowledge helpful to the citizens.

The child service corps of the New Life Movement, the Boy and Girls Scouts throughout the south west may be seen at work whenever occassions require auxiliaries to local militia, police reserve, and other service organizations, including the fire-brigade.

Children these days do not play with dolls, or other toys, but they display life-size tanks, air-planes, and rifles with which they go about the game playing soldiers.

What pleases all concerned in the children these days is their growing feeling of self-confidence and self-responsibility. At all public functions, like gigantic parades and mass patriotic meetings, the boy and girl scouts, do police duty in keeping women, young and old, at a safe distance from the marchers.

Money is not everything in the war but man-power is essential, and when it comes from Chinese children, it is the best asset as the Republic today.

Brides for Japanese Disabled Soldiers

Protection of disabled soldiers was extended to matrimonial affairs in Japan on Sept. 7 as the Patriotic Women's Association undertook the task of seeking brides for them.

Leading officials of the association had talks with representatives of the War Relief Board, the Ministry of Social Welfare, War and Navy Ministries, National Women's Defense Association and other organizations at the headquarters of the association. Future brides of disabled soldiers will enter matrimonial life after receiving several months' training in nursing, domestic affairs and upbringing of children. The "marriage course" was prepared by the association.

War Changes Chinese Marriage Ideals

The war has considerably changed the Chinese ideals of selecting life partners. Since the first bullets were fired near the Marco Polo Bridge a year ago, youngsters in China have given up their comfortable homes and rallied to their nation's cause. Unitedly dedicating their services to their country, and constantly working under great difficulties, these young men and women have been brought in closer social contact than over before.

The old idea of excluding women from social services has been entirely abandoned since the outbreak of the war, Men and women, boys and girls, are shouldering the grave responsibility of freeing their nation from invasion. Once carefully separated from each other, today they have become comrades-in-need.

Unabashed Chinese girls nowadays discuss their personal problems with their male co-workers when serious war talk runs dry. Although the nation's matrimonial market is on a sharp decline, there are more happy marriages at present than the pre-war days. Experiences have taught the men that, by devoting the same spirit of love and unselfishness to their country, as to their life mates, their chances of making the best out of matrimony are bright indeed.

Chinese youths are taking a more realistic viewpoint not only of the war, but also in choosing their "equal halves." Men no longer prefer girls with willow waists and delicate beauty. They have lost their patience with the pretty little girls whose main interests are in pleasure and beauty parlors. They want girls who are muscular and robust. They like to meet maidens who can also serve and sacrifice for the nation.

Chinese girls are no longer attracted by men who resemble their favorite movie actors, nor are they particularly interested in riches. They prefer those who are assisting in their nation's war of resistance. Thus, aviators and public service men usually take up the option on maidens' hearts. In general, the practical Chinese girls of today, like their prospective husbands to be well-trained, strong, above all, having a high sense of patriotism and devotion.

Movie Men Arrive to Film Fall of Hankow

To the small Army of Japanese newsreel cameramen following the troops in their westward drive towards the Wuhan tri-cities, on Sept. 10 were added two new recruits in the persons of Mr. Soji Kimura, producer, and Mr. Kiyoshi Mamada, cameraman, of the Toho Film Company of Tokyo, who arrived in Shanghai on the Shanghai Maru.

The two men have been entrusted with recording scenes of the capture of Hankow to be used in two projected Toho films "The Yangtsze" and Hankow." After a brief stay at the Astor House Hotel, Mr. Kimura and Mr. Mamada intend to proceed up-river, the Mainichi said.

Early Revival of Tsingtao Trade Held Unlikely

Tsingtao, once prosperous trading center from whence merchandise was trans-shipped to the interior, is now a city of stagnated trade, and observers there report that its present condition does not warrant prospects of an early revival of business.

The city by now has been for a considerable time in the hands of the Japanese who have mapped out several very ambitious plans for the development of Tsingtao. Actually, however, extremely little has been done in that direction. The Japanese Army and Navy control the city by land and sea and appear to feel quite sure of their possession of Tsingtao, but their zone of occupations is very narrow.

Not more than a mile north of south of Iltis Huk are the last Japanese outpost along the coast. The territory beyond that continues to be controlled by the Chinese, and appears to be defended by Chinese regular troops and guerillas as well. Inland the Japanese occupation stretches only in the direction of Tsinan, with the Japanese occupying the Kiaotsi railway. The line is heavily guarded by at least a whole brigade of troops.

Trains between Tsingtao and Tsinan have of late been run regularly. Occasionally, once every three days in the average, trains are delayed because of guerilla activities, but on the whole the railway service is now maintained regularly. During the second half of August and early in September, neither civilian passengers nor commercial freight were transported on the railway which at that time was used only for moving large Japanese military forces westward. Since then, however, civilian passenger, and among them also a number of foreigners, have been admitted inland again.

Japanese Restrained

In their economic transactions with the Chinese, the Japanese appear to behave here slightly better than they do in Central China. Cases are known in which they have actually made some payment, though insufficient, for small Chinese factories and buildings which they have taken over. The Japanese military authorities there also restrict, to a certain degree, the ruthless activities of Japanese commerical adventurers and endeavor to inspire some confidence into the Chinese business world.

No voluntary economic co-operation, however, has been forthcoming on the part of the Chinese so far. If a large number of local Chinese business firms have transferred their account from western to Japanese banks, they were compelled to do so in order not to be refused trade permits and licenses.

The lack of mobile capital for development purposes on the part of the Japanese is quite obvious in this area. Very few Japanese investments, and all of them small have as yet been affected. The reconstruction of the Japanese cotton mills is proceeding only on an extremely small scale and at a very slow pace. There seem to be no prospects that one of the larger of these mills will be able to resume operations within less than a year from now.

As regards currency, the same chaotic state of affairs exists here as in the other major cities of North China. The Japanese put the yen into circulation here, consisting mostly of ominious special issue of Bank of Chosen notes. Peiping yuan have also been introduced into the city.

Dollar Preferred

There is a certain demand for these currencies because they are indispensable for financial dealings with the Japanese occupants and their municipal puppets. Taxes, customs duties, railway fares, license fees, etc. have to be paid in yen or Peiping dollar. The real currency here, however, remains to be the genuine Chinese dollar. In the business world, all calculations are made upon the basis of the old Chinese dollar which is transacted at a slight premium as against not only the Peiping puppet currency but also the Japanese yen. Early this month, $100 of genuine Chinese currency would buy in private transaction in Tsingtao not less than Y.105 and almost $110 in puppet currency.

North China Exploitations

At a recent meeting in Peiping of representatives of all the Japanese authorities and circles participating in the organization of the North China Development Company definite plans have been accepted as to the industrial future of North China under the supervision of that company. The Japanese *Kokutsu Agency* reports these plans as follows:

As to the exploitation of coal in North China and the Meng Chiang district, it has been decided to divide coal mines in the territory into six areas, Tsuchuan, Fangtzu, Chunghsing, Tatung, Liuhokou and Pingting, establishing six companies to manage them. It is aimed to produce in 1941 10 million tons of coal for export to Japan and 20 million tons for consumption in North China and Meny Chiang district. Plans for production and distribution of the output of mines belonging to the aforementioned six areas are expected to be controlled by the North China Development Company.

In the field of communications, the North China Telephone and Telegraph Company and the Meng Chiang Electric Communications Company are expected to be brought under the control of the Development Company also.

To Control Power

Together with the Meng Chiang Electric Industry Development Company, the North China Electric Corporation is planned to be created in North China. Merging the Tientsin Electric Corporation and East Hopei Electric Company, the projected company in North China will concentrate its activities in the Peiping and Tientsin area, aiming at producing 100,000 killowatts in 1941.

In addition to two iron mills already existing in Shihchingshan and Lungyen, a new iron works is expected to be newly established in the Peiping-Tientsin area. Production in 1941 is to be boosted to 2 million tons of ore and 650,000 tons of iron. Without dividing the industry into mining and iron manufacturing, one company is expected to manage the whole iron industry in North China and the Meny Chiang district.

Establishing a salt company, the production of 2,500,000 tons of salt, 200,000 tons of soda ash and 200,000 tons of caustic soda is planned in 1941. A coal liquefaction firm is expected to be created in the Peiping-Tientsin district.

Currency Problem

The flood of the yen currency in Shanghai is a serious problem for Japan. A theory is advanced by leading financiers in Osaka that the problem can be solved by the increase of Japan's experts to China and the consequent absorption of the yen currency in Shanghai.

Osaka has had close economic relations with China, especially in the sundry goods export to Shanghai. This is why the Osaka business leaders intend to restore the activity of this export, if its present restriction is removed or mitigated.

The gist of their views on this problem is as follows:

Although the government intends to draft an additional budget for aiding manufacturers, and traders of medium and minor means to convert their business into new business in view of the wartime economic control, it better to give subsidies to these men to promote their export to China.

The active export of sundry goods will successfully absorb the accumulated yen currency in Shanghai.

Japan Firm Prepares to Work Iron Mines

Acting on the assumption that Hankow will be occupied by Japanese troops before long, officials of the Japan Iron Manufacturing Company have completed arrangements for operating the Tayeh Iron mines, Tokyo disclosed this week. Deposits at the mines are estimated to total 50 million tons.

The Japan Iron Manufacturing Company, capitalized at Yen 500,000,000, already has invested Y40,000,000 in the Tayeh Mines. The company hopes to increase the annual output of the mines to a million tons.

Cotton Investigations Here

Headed by Dr. Nakaye Enomoto, professor at Kyoto Imperial University, government-sponsored commission for The investigation of cotton production in Central China left Tokyo Sept. 12, for Shanghai for a 40-day tour of Kiangsu and Chekiang Provinces. The group will comprise both official and civilian experts who will desvise means to increase raw cotton production in those areas.

This is the second plan of its kind aimed at greating a "raw cotton autarchy" comprising China and Japan. The first scheme, already in effect in North China, consists of a 10-year plan for the gradual increase of cotton production in North China. The programs are sponsored by the Ministry of Overseas Affairs.

Chekiang Chinese Banks to Open Offices Here

Following the example set by major institutions, a number of small Chinese banks of Hangchow, Kashing, Haining and Kahsueh along the Shanghai-Nanking Railway were reported to be making arrangements to establish offices in Shanghai in order to settle accounts with their depositors, *Domei* reported.

These banks include the three commercial and savings banks in Hangchow, the Liang Cheh, the Chien Yih and Hsing Yih; the Haining Farmers Bank, the Kashing District Farmers Bank and the Kahsueh District Farmers Bank.

Unlike the leading Chinese banks in Chekiang, these small banks were unable to move their offices to Shanghai following the Chinese withdrawal from the North Chekiang cities, causing grave anxiety among their depositors who feared that they would be unable to draw their money from these banks.

Yoshida Recalled; to Leave London

Adding credence to widespread rumors of a thorough shake-up among Japanese diplomats abroad, the Japanese Foreign Office on Sept. 8 confirmed that Shigeru Yoshida, envoy to the Court of St. James, had beed recalled. The ambassador will leave London on Oct. 1, sailing to New York by the s.s. Ile de France to embark from San Francisco in the m.v. Tatsuta Maru on Oct. 20.

3,000 Civilians Killed and Wounded in August by Japanese Bombs

Japanese airplanes staged 12 raids over the Wuhan cities in August and dropped 1,715 bombs, Chinese reported. 829 noncombatants were killed, 998 seriously wounded and 1,285 slightly wounded by the Japanese bombs. A total of 2,296 buildings were destroyed, of which 152 were Government offices and 47 were school buildings.

Shanghai Facing Shortage of Salt

Following the decision of the Chinese Government to ban the export of salt, Shanghai is facing a serious threat of shortage of salt. So far, only 5,000 piculs of salt are stored in Shanghai godowns. As a result of protracted negotiations between the Chinese authorities in Chekiang and the local salt merchants, it is reported that salt will be shipped to Shanghai from Ningpo in the near future. It may be noted that China produces 37,504,000 piculs of salt every year and the important salt factories are:

1. The Chiu Ta Salt Factory at Tangku,
2. The Tung Yi Salt Factory at Chefoo,
3. The Tung Ta Salt Factory at Tangfang, Hopei,
4. The Wuho Salt Factory at Pootung, and
5. The Min Sen Salt Factory at Tinghai, Chekiang.

These salt factories in the war zone have been forced to suspend operations. Meanwhile the Japanese authorities have organized a Tung Mow Salt Company to control the purchase, transportation and sale of salt in the war zone.

$1,000,000 Subsidiary Coins Sent Here

Subsidiary coins recently turned out by the Central Mint in Kweilin, Kwangsi, have been sent here for circulation, according to well-informed financial circles. Meanwhile several million dollars of one dollar silver coins, collected by the Government banks here from the people have been sent to Hongkong.

The Shanghai Commercial and Savings Bank invested over $3,000,000 every year for the development of sugar cane plantation in Kwangtung Province, prior to the outbreak of Sino-Japanese hostilities. Last year, the bank continued to advance credits to the farmers for the plantation of sugar cane, but the amount was reduced to $1,000,000. As the sugar refineries in Kwangtung are operating as usual, the bank has decided to advance credits to the farmers this year as usual.

New Line Connecting Shanghai and Hankow

According to the China Travel Service, one does not have to go to Hankow from Hongkong by way of the Canton-Hankow Railway, which is the object of daily aerial raids by the Japanese planes. The new line starts from Hongkong by boat to Wuchow. From Wuchow, one enjoys a motor ride to Kweilin in Kwangsi, then to Hengyang in Hunan, then to Changsha and Wuchang. The travelling expenses from Hongkong to Hankow by this line is about $150 per person.

Chinese Shipping Hard Hit by War

Chinese shipping has been greatly hit by the Sino-Japanese hostilities, it was revealed by shipping circles here. Before the war, it is stated, the total tonnage of Chinese ships was 600,000, but since the Japanese blockade of the China coast it was reduced to about 100,000.

All the Chinese shipping concerns have now stopped operations along the coast. With the exception of the s.s. *Hai Yuan, Haiben, Haili* and *Haichen*, which were sold to the Jardine Matheson Company, all other steamers of the China Merchants' Steam Navigation Company have been sunk to form booms at various points on the Yangtsze and other waterways. Other Chinese shipping firms have either suspended operations or transferred their property to foreign concerns.

The China Merchants' Steam Navigation Company, the Min Sheng Company, the San Pei Company and Butterfield and Swire Company still continue operations on the upper reaches of the Yangtse River. Their steamers are plying on the following routes, namely, Hankow-Ichang, Ichang-Chungking, Wanshien-Chungking, Chungking-Kiating, and Chungking-Hochow.

League Official Asks Action on Japanese Use of Gas

Lord Listowel, President of the China Campaign Committee affiliated with the International Peace Cumpaign, has written to the Foreign Secretary, Lord Halifax, requesting strongest possible action by the British Government in Geneva to protest against the use of poison gas by the Japanese troops operating in China, and to urge whatever steps may be necessary to prevent a repetition of this method of warfare which is "a gross violation of international law and an outrage upon the feelings of the civilized world," *Havas* reported this week.

The letter enumerates various cases where the Japanese had allegedly made use of poison gas. In his letter, Lord Listowel submits evidence of the present use of poison gas which he says is substantial and conclusive.

He recalls that according to Chinese reports, the Japanese attacks against Paivishan on Sept. 1 had failed completely until the majority of a Chinese battalion was asphixiated by about 100 gas shells. Again, on August 23 when the Japanese were attacking along the East bank of the Chi Hu, or Red Lake, their gas offensive killed all but one Lieutenant and two privates of two Chinese battalions.

This evidence, Lord Listowel added, is supported by eye-witness accounts, foreign reports, and doctors attending the troops. Furthermore, documents found on Japanese prisoners proved conclusively that chemical warfare units are attached to the Japanese armies.

"In view of the foregoing evidence," the letter concludes, "a large section of British public opinion, represented by the China Campaign Committee, desire to urge you to give public support at the League of Nations Assembly to the legitimate demands of the Chinese Government in this regard."

Chinese Accusecd of Using Poison Gas

Accusations that Chinese forces had used poison gas during military operations in the Juichang district were contained in press messages received in Tokyo, Sept. 12, *Domei* reported.

In a desperate attempt to check the Japanese onslaught the Chinese 2nd, 13th, 25th, 35th and 95th Divisions used poison gas in mountains west of Juichang, the press messages stated. Timely precautions taken by the Japanese troops minimized the losses according to the messages.

British Involved in Two Incidents with Japanese

Detention of a Seaforth Highlander by the Japanese Sept. 12 was the topic of a strongly worded protest lodged with the Japanese naval authorities this week by the local British military command. The protest pointed out that the action of the Japanese in arresting Private William MacKenzie, First Battalion of the Seaforth Highlanders, after he had allegedly trespassed across the West Hongkew boundary, was a most unfriendly gesture. At the same time, the protest pointed out that the British military authorities regard the incident as all the more unfriendly because of the fact that the Japanese frequently enter British defense areas but are not detained.

Private MacKenzie was one of a party of three Seaforths engaged in wiring the door of a cigarette factory near Range and North Honan Roads. The Japanese claimed that MacKenzie trespassed into their territory and took him into custody. Whether he actually trespassed or not is a moot point. MacKenzie was taken to Naval Landing Party Headquarters and Major Hunt, of the British command, obtained his release some hours later. The Seaforth, it is understood, was not maltreated.

British consular authorities here were still considering the forwarding of a protest to the Japanese authorities, requesting the punishment of a Japanese sergeant-major who attacked three employees of the Ewo Brewery Sept. 10. A full report of this affair is already in the hands of the British Consul-General. The Japanese is alleged to have pushed one of the men, William Iredale, into a sentry box and tossed lighted matches into his face. To the other foreigners and a Japanese police officer, he administered a beating across their backs with the broadside of his sword.

Ugaki Tells Craigie That Solution of Navigation Rights Issue Premature

The Ugaki-Craigie talk which had been suspended for some time with the August 20 meeting as the final one was resumed Sept. 8 when Sir Robert Craigie, British Ambassador, called on General Kazushige Ugaki, Foreign Minister, at his official residence and talked with him for more than two hours regarding the question of British rights and interests in China, the *Nichi Nichi Shimbun* reported.

In the course of the day's talk no conclusion was reached on any of the subjects. The British side is desiring a rapid solution of more than 150 large and small pending issues, especially is it showing enthusiasm over the solution of the Yangtsze navigation issue. In dealing with this issue the Foreign Minister repeated his thesis that Britain's full recognition of the new situation in China would be a pre-condition to progress of the talk or adjustment of Anglo-Japanese relations, the paper said.

The Foreign Minister also explained that a solution of the question of navigation in the Yangtsze is premature as at present the military operation of warships going upstream in the river is being conducted for the capture of Hankow, it is understood.

Bomb Wounds Two in Frenchtown

Terrorists were active again Sept. 13, tossing two bombs into the front entrance of a Chinese import and export company located at Lane 10, House 183, Rue du Consulat. Both missiles exploded, causing considerable damage to the entrance of the building and wounding two employees.

One of the wounded men is Loh Kou-zung, chief accountant of the firm. He was seriously injured. Shen Hui-tsang, assistant accountant, is the other wounded man. His injuries, although slight, have necessitated hospital treatment. The bomb-tossers, said to have been two in number, made their escape, however, by the time the police arrived. Detectives of the French Police, engaged in investigating the crime, stated that no motive for the bomb throwing had yet been unearthed.

Police Expose Plots of Yellow Way Society

THAT the fatal shot which killed Dr. Herman G. E. Liu, president of the Shanghai University, was fired from one of the 27 pistols sold by the S.M.P. to the Japanese Army Special Srevice Section was one of the startling revealtions recently unearthed by the Settlement authoritics with the arrest of four terrorists now in custody, the *Shanghai Evening Post* reported this week.

At the same time, the motive for the murder of Tsai Tsao-tu, the late proprietor of the *Social Evening News*, was established by investigators. The newspaper owner was murdered by members of the Huang Hwei or Yellow Society, because he was suspected of being a spy in the employ of the Chinese government. The sending of poisoned fruit to editors of the *Morning Leader*, a British-owned Chinese daily, was also attributed to the work of the society's hirelings.

These facts were gathered by the police in the course of an exhaustive investigation into the past activities of the four men who will be tried in the First Special District Court for the second time some time this week, the *Post* reported. In addition to obtaining full confessions from the quartet, the police also recovered a diary writiten by one of them, which contains valuable information regarding the activities of the terror society. The four terrorists are Yang Kya-chu, alias Colonel Walter Yang, former chief of the general affairs bureau of the Asia Rehabilitatilon Society with headquarters at the New Asia Hotel; Zing Sih-kong, another member of the society; Zung Bing, former interpreter in the employ of the society; and Hsu Yuh-ling, a hired bomb-thrower.

The four were charged with aiding and abetting the murder of Tsai Tiao-tu and offense against public order during the last trial held in camera at the court, it was learned today from several sources.

All Took Part

All the four had a hand in the murder of the late publisher indirectly, it was disclosed. The actual murder was, however, carried out by members of the sister society, theHuang Tao Hwei, according to the confessions made by the quartet. Resume of the Tsai Tiao-tu murder case, based on the confessions made the accused and the diary and documents seized from Colonel Walter Yang, is as follows:

Some time in January, Tsai came to know Zing Sih-kong, who lives in the next house to the his home at House 7, Keng Yu Li, off Rue Auguste Boppe in the Concession. Zing introduced Walter Yang to Tsai. At that time Yang was a member of the Asia Rehabilitation Society. Knowing that Yang was an influential member of the society, Zing requested him to get him a pass in order to visit his factory on Hochien Road in the eastern area. Tsai fostered his friendship with Yang, because he was said to have been anxious to resume the operations of his paper which had been previously suspended by order of the S.M.C., allegedly because of a protest from the Japanese authorities.

The three became sworn brothers in the Rainbow Temple on Nanking Road. They were frequently seen together. In due time, all three became trusted friends of one Kimura, Japanese adviser to the Asia Rehabilitation Society. Of the trio, Yang is the most interesting character. Some 20 years ago, while still in his teens, he obtained a position with a local American law firm through his lawyer father. He was involved in a misappropriation case and fled to Hankow, after destroying evidence by setting fire to the office. He was arrested at Hankow, extradicted to Shanghai, and served a term both at the reformatory and the Ward Road Jail.

Ex-St. John's Student

Being a former student of St. John's University, he speaks English quite well, it was stated. He served as an interpreter in the employ of the late Marshal Chang Tso-lin, the then most influential warlord in Manchuria. A few years later, he saw service in the infamous general Chang Chung-chang's army in Shantung. It was in this warlord's army as an intelligence officer that Yang became a colonel, and ever since then has been known as "Colonel Walter Yang." Later, he was a department head of the intelligence bureau in the Nanking government, in charge of espionage work concerning the activities of Japanese in China.

When he was dismissed from the bureau, he came to Shanghai and joined a local foreign detective bureau as a Chinese secretary. It was at this time that he met Zing Sih-kong. He was dismissed however, when he was involved in another misappropriation scandal. At the start of the war, he was unemployed. He met on Woo Chia-seng, who was then in close connection with the Japanese, and through the latter he was engaged to draft the regulations and constitution for the Asia Rehabilitation Society, being a former law office clerk. He was later made chairman of the general affairs bureau of the society, drawing $100 a month upon the recommendation of Kimura.

At this juncture, Tsai popped onto the scene. When Yang was able to get passes for both Zing and Tsai, the latter was elated and gave an elaborate party to the Japanese adviser, one Liu Song, who was then the most influential Chinese member of the society, Zing, and others at the T.T. Restaurant on Kwangsi Road and the Crystal Palace Theatre Rue Kraetzer. The Japanese and Liu Song declined the invitation, however, Just after the big party, Kimura is said to have told Yang that Tsai was a Chinese spy and that he must be detained at the New Asia Hotel at all cost. This information was relayed to Tsai, who the next day showed a document to Liu Song, which was supposed to have been issued by General Yang Hu, then garrison commander for the Shanghai-Woosung area, ordering the suspension of the Social Evening News. It is believed that the showing of the said document was the cause of further suspicion and his subsequent death.

Goes To Hotel

On February 5, both Tsai and Zing was ordered to report at the New Asia Hotel. Tsai took his car as far as the bridge where he was stopped by the Japanese sentries, because the driver had no pass. That was the last the driver saw of his master. Zing, whose car was taken by Yang, had to go to Hongkew by bus and was delayed at a dinner party given by one Konomi, Japanese adviser to the Huang Tao Hwei. This is what transpired at the party.

Near the close of the dinner, Tsai was ordered to report at a room on the sixth floor of the building by two plain-clothes men. Before he left the table, Tsai is said to have appealed to Liu Song to help him in case of any trouble. Meanwhile, Zing arrived at the hotel to learn of the arrest of Tsai. Then Tsai's severed head was found near the French Police Station on Route Stanislas Chevalier on February 7. It was disclosed that the head was originally intended to be thrown into the police headquarters, according to a boast allegedly made by Konomi, it was stated by the prisoners. Hsu Tuh-ling, who is the only one of the six terriorsts who was not sentenced the other day, washed the head and delivered it to several hired hands who abandoned it in the Concession.

According to Yang's own confession, he received $50 for his part in luring Tsai to the hotel while Liu Song received $1000 Zing got scared after the murder and moved to the hotel. At about this time, Yang lost favor with the Japanese and lost his job fot misappropriating society funds. He was arrested at his home or Yates Road in August and Zing's car which he used was located in a repair shop on Weihaiwei Road. Meantime, Zing surrendered himself to the police, but was released when he gave a satisfactory statement. He was, however, re-arrested later when he came to live in the Settlement. It was also disclosed that Zing's concubine, Zuzanne Zing, had to work as a dancer in Hongkew when he lost favor with the chief of the society and he was dismissed from the society.

Japanese Transferred

Yang implicated Zung Bing, a former asssistant to a Japanese dentist who adopted him. Zung succeeded Yang as the chief of the general affairs bureau of the society. Zung was arrested on August 5 at the Continental Building. At about this time, Konomi was transferred to another post because of a kidnapping scandal. Kimura was also transferred to another post. Liu Song is said to have also lost his job, his place having been taken by one Zang Mo-chia. The actual killing of Tsai was done by hired hands under the direction of Zang Yu-ching, 315-pound chief of the Huang Tao mob, and Konomi, the Japanese adviser, according to Yang's confession.

Zung Bing is said to have severed his connections wit the society with the transfer of his friend Konomi. On one occasion, Konomi is said to have boasted to Zung Bing that one of the strongest anti-Japanese Chinese leaders "has been bumped off," referring to Dr. Herman Liu. The death weapon was identified as one of the 27 guns sold to Konomi by the S.M.P. Konomi is also reported to have boasted to Zung that he was responsible for the killing of Tsai.

Primary Schools to Total 200 Near Here

With a rapid increase in the number of Chinese children of school age in the areas under its jurisdiction following the wholesale return of evacuees, the "Shanghai Municipal Administration," successor to the Government of Greater Shanghai, has found itself compelled to map out an ambitious educational program, the *Shanghai Nippo* reported this week.

Under the scheme, the number of primary schools will be increased from 48 to 200, with at least 100 of them in operation by the end of the year. Official Chinese figures on elementary education gave the humber of primary schools at 746 in Shanghai, the Settlement and French Concession inclusive, before the hostilities. Examinations for principals and senior teachers to staff the projected institutions were held on Sept. 5 at the Pootung First Primary School, according to the *Nippo*.

Jew Refugees from Europe Arrive

Another contingent of Jewish refugees from Europe, six in number, arrived in Shanghai this week aboard the Victoria, Lloyd-Triestino liner. One of the refugees is a doctor from Germany. The remaining five persons, four men and one woman, are all from Vienna.

Three of the Viennese are commercial people while the fourth man is described as being an engineer. The woman is the wife of the one of the commercial men. The new additions to the local Jewish community were met at the Customs Jetty by 18 other refugees from Europe who had arrived in the city previously.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Aug. 18.—Tsinan, capital of Shantung, claimed partially re-occupied by mixed force of Chinese guerillas and regular troops, commanded by Gen. Shih Yu-shan; Chinese raiders reached outskirts of Tsinan on night of Aug. 11 and entered city by scaling city walls. After engaging the Japanese garrison in street fighting, they succeeded in reoccupying a considerable section of the city on Aug. 12, according to report received at Hankow. Japanese casualties said to have exceeded 200.
Report denied by Japanese sources in Shanghai, but confirmed by reports from neutral sources at Tsinan and Tsingtao.

Aug. 18.—Two Japanese planes shot down in aerial combat below Hankow, while four more out of 27 Japanese bombers which raided Hengyang airdrome, in south Hunan, were destroyed, according to Hankow report. The Chinese lost one pursuit machine. Japanese report stated Hengyang and Paoching air-fields in Hunan and the airdrome at Ichang in Hupeh heavily bombed by large squadron of naval planes. Some 20 Chinese planes claimed shot down and 12 more demolished on the ground.
Many persons killed and wounded as result of Japanese air-raid on Changsha, Hunan capital, yesterday (Aug. 17). East Station area suffered most. Many houses set on fire by incendiary bombs.

Aug. 18.—Position of Chinese troops on southern bank of Yangtsze said improved, as the Japanese failed in attempt to force the Chinese to retreat from Shaho, 10 miles south of Kiukiang, to a point south of Mahweiling, 30 miles south of Kiukiang. The Japanese launched (Aug. 17) strong counter-attack on Chinese positions at Singtse, on western shore of Poyang Lake, but were again repulsed.

Aug. 18.—Loh Lien-kwei, Superintendent of Shanghai International Settlement Municipal Police in charge of Chinese detectives, assassinated by gang of gunmen in front of Central Hotel at corner of Canton and Hupeh Roads; assassins escaped.
San Lien-hsiang, arrested by the Police on charge of participation in assassination of Chinese teacher in Chinese Y.M.C.A. hut at 4200 Robison Road on July 17, revealed that Huang Tao Hui (Yellow Way Society), Japanese sponsored terrorist organization, headed by Zang Yu-ching, was responsible for recent terrorist activities in the Settlement.

Aug. 18.—Formal apology by Col. Kusumoto, chief of Japanese Army's Special Service Section, to the American Marine authorities in connection with violation of American defence sector by Japanese servicemen, on Aug. 13, was made at Headquarters of 4th U.S. Marines.

Aug. 18.—Two incidents involving service men of foreign nationality, one at Peiping and the other at Tsingtao, occurred yesterday (Aug. 17). At Peiping, two French soldiers were arrested by the Japanese in Legation Quarter after a quarrel. The incident at Tsingtao involved a British sailor, who allegedly "insulted" a Japanese flag.

Aug. 18.—Quiet reigns on Soviet-Manchukuo border as truce agreement comes into effect.

Aug. 18.—Tokyo plans measures to control Chinese rice and silk industry. Far East Forestry and Agricultural Council discuss plans to establish rice control bureau; China's cocoon production to be limited. More Japanese flour mills to be established in North China.

Aug. 18.—Following imminent reorganization of Chinese press in Peiping by the Japanese Army, three more Chinese papers, the **Hua Pei Jih Pao, Chuan Min Pao** and the **Chin Pao** were ordered to suspend publication.

Aug. 18.—Japan to issue new loan of Yen397,000,000 on Aug. 22 to finance war in China.

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Aug. 19.—Despite heavy Japanese artillery and naval bombardment and infantry attacks, the Chinese are still holding their positions in vicinity of Chuchwang, west of Kiukiang and northeast of Juichang. The Japanese said to have given up attempt to capture Juichang. Large concentration of Japanese warships and transports off and below Kiukiang seen as indication of imminent renewed Japanese offensive on Yangtsze front.
Capture by the Japanese of Yungchi (Puchow), terminus of Tungpu Railway in southwest Shansi, on Aug. 16, admitted in Hankow.

Aug. 19.—Chu Chia-hua, Secretary-General of Standing Committee of the C.E.C. of the Kuomintang, protested to Stirling Fessenden, Secretary-General of Shanghai Municipal Council, against the handing over of Chinese patriots in the International Settlement to the Japanese military for execution.

Aug. 19.—Canton raided by Japanese planes 130 times in one year since first Japanese air raid on Aug. 18, 1937, while air raid alarm sounded 495 times, according to Japanese report.
Because of constant Japanese airbombings, factories in Canton ordered to move to Yunnan and Kwangsi.

Aug. 19.—Customs revenue in Japanese occupied area in China totalled $21,586,000 in July, according to Japanese report.

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Aug. 20.—Gen. Chen Cheng, Commander-in-Chief of Chinese Forces defending Wuhan Area, declared that 60 per cent of Japanese troops in Yangtsze area were afflicted by disease; cholera, dysentery and malaria said hampering Japanese advance. The Chinese troops also were suffering from various diseases, Gen. Chen said.
Chinese circles anticipate renewed Japanese drive along north bank of Yangtsze, via Huangmei—Kwangtsi highway, following rapid fall of the river in past few days.
Chinese positions on west shore of Poyang Lake, particularly in vicinity of Singtze, bombed by Japanese aircraft.

Aug. 20.—Chinese guerillas which destroyed (Aug. 18) railway tracks, telephone and telegraph wires west of Hsuchow, are fighting against the Japanese in outskirts of city.
Guerillas also active in northern section of Tientsin-Pukow Railway, blowing up railway bridges and tearing up rails in vicinity of Tehchow, Pingyuan and other cities.
Troops of the new Fourth Army (formerly Communist) commanded by Gen. Yeh Ting made daring attack on the Japanese at Chuyung, 26 miles southeast of Nanking, on night of Aug. 12, according to **Sin Hua Jih Pao**, Communist organ in Hankow; engaged the Japanese garrison for several hours before withdrawing.

Aug. 20.—Japanese premier Prince Konoye addressed following message to Italy, "The peace of Eastern Asia can only be maintained if the Chiang Kai-shek Government is upset."
News Chronicle of London, commenting on the message, says, "There is reason to believe that Italian activity in China has taken the form of underground agitation to undermine the Chiang Kai-shek government." The newspaper also alleged that "a prominent Chinese figure, known for his pro-Japanese leanings, was secretly sponsored to usurp the Generalissimo's authority."

Aug. 20.—Sun Fo, President of Legislative Yuan, arrived at Hongkong yesterday (Aug. 19), after 6-month tour in Europe, during which he twice visited Moscow.

Aug. 20.—Many American publications, including the **Readers' Digest, Asia**, and several books dealing with Sino-Japanese questions seized by Japanese censors; mails for foreign firms in Shanghai also tampered with, according to report in **The China Press.**

Aug. 20.—French Catholic Mission at Takowtun, 50 miles west of Peiping, bombed by Japanese planes on Aug. 17; several buildings damaged, although no casualties reported, according to **Reuter** report.

Aug. 20.—Alleged sales of arms by Mexico to Japan deeply deplored by Chinese circles in Hankow.

Aug. 20.—Quo Tai-chi, Chinese Ambassador in London, called attention of British Foreign Office to reports from Tokyo that Japan was proposing an arrangement to Britain, whereby Japan would agree to leave Yangtsze Valley clear for British interests on condition that Britain agreed to give Japan free hand in North China. Quo emphasized that China could never accept an arrangement of such nature.

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Aug. 21.—As predicted in Chinese circles, the Japanese begin big offensive on west shore of Poyang Lake. Japanese troops landed near Singtze, strategic town on west shore of the Lake, and severe fighting now in progress. Singtze subjected to heavy shelling by twenty Japanese warships. Japanese claim Singtze occupied.
Tingchiashan, hill northeast of Juichang, recaptured by Chinese troops west of Kiukiang in counter-attack.

Aug. 21.—Seventeen Japanese bombers, accompanied by pursuit craft, heavily bomb Nanhu (South Lake) area, south of Wuchang; at least 60 bombs dropped in area. Casualties believed heavy; more than 40 wounded rushed to hospital for emergency treatment. American doctors work feverishly to help wounded and dying.
Canton-Hankow Railway also bombed.

Aug. 21.—Two more Japanese, Sadanosuke Tange and Kaichi Yura, arrested in Central District of Shanghai International Settlement for creating disturbances. One broke a glass show-case, while another assaulted a municipal police officer.

Aug. 21.—Richard Norman Keys, Young Briton, shot and killed in Hungjao Road area during armed clash between Japanese troops and Chinese guerillas; was struck by bullet while sleeping on porch of home.

Aug. 21.—Rome denies report circulated in London that Italy had attempted to mediate in Sino-Japanese hostilities.

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Aug. 22.—Heavy fighting continued in vicinity of Juichang, above Kiukiang, and on both west and east shores of Poyang Lake. Japanese forces open general offensive against Juichang, under cover of severe bombardment from warships and the air. Fighting rages hottest at a point about six miles east of Juichang.
Fall of Singtse, strategic town on west shore of Poyang Lake, on night of Aug. 20, admitted in Hankow. Chinese forces now defending positions in hills northwest of Singtse.

Aug. 22.—Gen. Lu Chung-lin, new chairman of Hopei, said to have arrived at his post "somewhere" in the province. Gen. Lu now making extended tour of Hopei in order to unify command of Chinese guerillas operating in the province.

Aug. 22.—Chinese forces, which attacked Tsinan, Shantung Capital, on Aug. 12 and Aug. 15, suffered some 600 casualties, as against total of 300 casualties inflicted on the Japanese, according to message received at Hankow from Gen. Shih Yu-shan, Commander of the guerillas in Shantung.

Aug. 22.—Gen. Chiang Kai-shek declares, in interview with correspondent of London **Daily Telegraph**, that in forthcoming battle for Wuhan area the Japanese will suffer an even greater defeat than at Taierchwang in April; difficulties of Japanese invaders said increasing daily; says Hankow will not fall.

Aug. 22.—Reports circulated in China and abroad that Wang Ching-wei, Deputy Chief Executive of the Kuomintang, had consented to participate in an Italian-sponsored attempt at mediation, emphatically denied in authoritative Chinese quarters in Hongkong. Lin Pa-sheng, spokesman for Wang, described rumor as absurd.

Aug. 22.—Eugene Chen, former Foreign Minister, in article published in Hankow newspapers, appealed to Chinese people to defend Hankow to the last.

Aug. 22.—Squadron of 46 Japanese planes bomb Canton-Hankow and Canton-Kowloon Railways; one shot down by anti-aircraft guns at Shuntong, mid-way between Whamgpoa and Sheklung.

Aug. 22.—Japanese army officer apologized in writing to Maj.-Gen. A. P. D. Telfer-Smollett, Commander of British Forces in Shanghai, for violation of British defence sector by two members of Japanese Special Service Section on Aug. 13. The two Japanese involved said to have been "punished."

Aug. 22.—Liu Chien-an and Liu Hung-foh, officials of the Japanese—controlled Salt Gabelle of Shanghai, shot and seriously wounded by gunmen in attempted assassination.

Aug. 22.—Sun Fo, who arrived at Hongkong from Europe on Aug. 19, declared that more active support from Soviet Russia for China would be forthcoming in the future and that Moscow was daily preparing for war with Japan

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Aug. 23.—After occupying Singtse, on west shore of Poyang Lake, the Japanese are advancing southwestwards towards Chinese positions in vicinity of Niutoushan (Ox Head Mountain). Simultaneously, the Japanese are continuing attacks on Juichang, above Kiukiang.

Aug. 23.—Japanese forces on north bank of Yellow River again active; moving southwards from Sinyang, they are attempting to capture Menghsien and Wenhsien, opposite Loyang. Chinese rush heavy reinforcements to two cities to prevent the Japanese from crossing the river.

Aug. 23.—Five cities in northern Kiangsu, namely, Pihsien, Shuyang, Kanyu, Haichow and Kwangyun, recaptured by Chinese forces commanded by Gen. Li Shou-wei.

Aug. 23.—"If the objective of the Japanese campaign against Wuhan is the destruction of the main forces of the Chinese, then it may be said categorically that the invading forces will fail to achieve this."
Thus declared Edgar Snow, Far Eastern correspondent of the London **Daily Herald**, in an interview with the **South China Morning Post** on his arrival at Hongkong from Hankow recently.
Mr. Snow said that Generalissimo Chiang Kai-shek had indicated quite clearly that he considered the preservation of his present basic forces as his primary tactical problem in the defense of Wuhan and the eventual loss of Hankow itself was of secondary importance.

Aug. 23.—Protest against censorship and mutilation of American magazines and books shipped to Shanghai from the United States by Japanese censors lodged by American Consulate-General with Japanese consular authorities. Protest follows complaint from Chinese-American Publishing Company.

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Aug. 24.—"Kweilin," commercial airliner of the China National Aviation Corporation, Sino-American concern machine-gunned by Japanese pursuit planes and shot down in creek in Canton delta. Of the 18 persons on board, there are only three survivors. Included among the passengers believed dead were Hsu Sing-loh, General Manager of the National Commercial Bank of Shanghai, and Hu Pi-kiang, Chairman of Board of Directors of the Bank of Communications. The "Kweilin", piloted by H. L Woods, American, left Hongkong in the morning for Chungking.
Japanese attack believed aimed at Sun Fo, who intended to take the same plane, but for some reason took an Eurasia plane and arrived at Hankow safely.

Aug. 24.—Japanese forces concentrated in Hofei, in northwestern Anhwei, begin their long-heralded drive westwards into northeastern Hupeh, with Luan and Hwoshan as objectives.
Japanese claim capture of Juichang, important city above Kiukiang. City said entered yesterday (Aug. 23).

Aug. 24.—Opium to the value of more than $150,000 seized in Customs godown on French Bund by Chinese Maritime Customs.

Aug. 24.—Stirling Fessenden, Secretary-General of Shanghai Municipal Council, interviewed by S. Fukahashi, president of **Shanghai Mainichi**, outlined the Council's attitude towards terrorism perpetrated in International Settlement and its stand on the activities of agents of the Japanese-sponsored "Reformed Government." Mr. Fessenden said:
1. That as far as the Council knows, the major portion of the terroristic activities in the Settlement have been carried out by people with headquarters in the New Asia Hotel in Hongkew;
2. That the Council cannot suppress terrorism unless it is able to police the New Asia Hotel, which is now under Japanese protection;
3. That the Council is anxious to co-operate with military authorities in Shanghai, including the Japanese, in suppressing terroristic outbreaks in the Settlement and that the Council is prepared to study concrete proposals on the ways and means of suppressing terrorism especially if such proposals should come from Japanese military and consular authorities;
4. That the recognition of the "Reformed Government" is a matter which only the foreign powers are competent to consider and that until formal recognition is accorded to the regime by the Powers, the Council is powerless;
5. That the Council cannot overlook the fact that many people who are agents of the "Reformed Government" have committed crimes and are known to be convicted criminals, hiding behind the facade of the newly created officialdom.

Aug. 24.—Britain's £300,000,000 investments in China are worth just about half that sum today as result of Japanese hostilities, according to Sir Robert Calder-Marshall, Chairman of Shanghai British Chamber of Commerce. Actually, he told **Reuter**, British investments are now worth between £150,000,000 and £120,000,000; material damage to British property in Shanghai estimated at £500,000.

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Aug. 25.—All passengers on the ill-fated C. N. A. C. airliner, "Kweilin," but one believed killed by Japanese machine-gun fire. Following is latest list of those missing as result of Japanese attack:
Hsu Sing-loh, aged 48,
Hu Pi-kiang, aged 56,
Mrs. Li Chai-sung, aged 24,
Mrs. Li's baby,
Sidney Yang, aged 29,
Mrs. Yang (his wife), aged 23,
Chen Chien-fei, aged 38,
Uy Hsu, aged 50,
Lu Yi, aged 28,
Wang Liang-fu, Chief clerk of the Central Bank of China,
Master Henry Chung, aged 5.
The identities of the other persons known to be missing not yet established.
C.N.A.C. offices at Hongkong issued report on incident, describing attack on plane as "murder." Mr. Lou, only passenger who escaped death, says, "the Japanese seemed determined to kill everybody."
Japanese navy spokesman in Shanghai said that similar "incidents" may recur: C.N.A.C. machine said "suspicious:" alleged planes also carry munitions. He added that the C.N.A.C. plane was attacked by four Japanese planes.
Cordell Hull, U. S. Secretary of State, cabled American officials in China for detailed information of incident before considering action.
London circles indignant at attack on passenger aircraft.
Reuters News Agency filed report with British

Consulate-General in Shanghai on censorship and detention by Japanese of incoming cables from Hongkong on the incident.

Aug. 25.—Sanguinary fighting proceeding east of Juichang, above Kiukiang, where the Japanese are launching determined assault on Chinese positions in hills nearby. These positions said to have changed hands several times. Invaders making desperate effort to capture city.
Advancing westwards from Hofei, along Hofei-Luan highway, Japanese troops reached (Aug. 24) Kwanting, mid-way between Hofei and Luan.
Eight Japanese warships hit and damaged by Chinese shore batteries at Hwangshan, on south bank of Yangtsze, in southern Anhwei, on Aug. 23, according to official Chinese report.
Chinese guerillas active in neighbourhood of Tientsin; railway tracks destroyed and train services disrupted. Guerillas said taking up strong positions in hills close to the railway, between Luanhsien and Shanhaikwan. Chinese intelligence reports state that guerillas operating in eastern Hopei have extended their activities into Liaoning (Manchuria.)

Aug. 25.—British Foreign Office officially notified by Ambassador Quo Tai-chi that Japanese troops used poison gas in north Kiangsi.

Aug. 25.—Soochow Japanese population now 468, six times that before outbreak of present hostilities.

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Aug. 26.—Six bodies so far recovered from the wrecked C.N.A.C. plane "Kweilin," shot down by the Japanese; identity not yet established; All bodies bore machine-gun bullet wounds.
Spokesman of Chinese Foreign Office issued statement, denouncing Japanese attack on passenger plane; motive was to murder the innocent and terrorise the public.
Memory of Hsu Sing-loh praised by Shanghai Municipal Council, of which he was a member for 10 successive years.
London papers condemn attack, describing it as "war at its most ruthless."

Aug. 26.—Chinese admit loss of Juichang, strategic city above Kiukiang, to the Japanese. Japanese drive on both north and south banks of Yangtsze said gaining. Vanguard of Japanese troops advancing westwards from Hofei reported to have reached point, 20 miles east of Luan.
Canton-Hankow Railway raided by Japanese planes; Nanchang, Kiangsi capital, also heavily bombed.

Aug. 26.—Quo Tai-chi, Chinese Ambassador to London, denies reports that a group of responsible Chinese officials was considering a proposal from Italian or any other sources to discuss peace terms with Japan "behind the back of Gen. Chiang Kai-shek." Italy was "openly anti-Chinese," and rumors were merely "attempts to create disunity in China."

Aug. 26.—Infant mortality among Shanghai refugee camps has reached appalling figure of 62.395 during period from August 1937 to May 1938, according to report issued by National Child Welfare Association of China.

Aug. 26.—Another Japanese war vessel damaged during operations in Upper Yangtsze towed up Shanghai harbor for repairs.

Aug. 26.—Yellow River has definitely changed its course as result of floods, according to Chinese reports, which state that the river is now flowing in southerly direction from Huayuankou, in instead of an easterly direction.

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Aug. 27.—Gen. Chiang Kai-shek, interviewed by **Reuters** correspondent, emphatically denied rumors of peace conversations between China and Japan, which he branded as another Japanese attempt to undermine friendly relations between China and third Powers, especially Soviet Russia. China's determination to carry on her war of resistance was reiterated.

Aug. 27.—Chinese positions south of Singtse, on west shore of Poyang Lake, said improved, following successful counter-attack which drove the Japanese in the direction of Singtse. Japanese attack on Shaho, on Kiukiang-Nanchang Railway, repulsed. Fighting continued to the northwest of Juichang, with the Chinese holding their ground.
Several cities in Chekiang and southern Kiangsu reported recovered by Chinese forces.

Aug. 27.—Ten bodies recovered from the ill-fated plane "Kweilin," according to report received at Canton from Gen. Chang Hui-chang, Magistrate of Chungshan. Most of the corpses bore numerous machine-gun wounds and were swollen beyond recognition. Work of salvaging plane progressing.
U. S. Secretary of State Cordell Hull protests to Japanese Government against Japanese attack on airliner "Kweilin," of China National Aviation Corporation.

Aug. 27.—Chen Chieh, new Ambassador to Germany, departs from Hongkong for his post.

Aug. 27.—Wang Keh-min, head of Peiping "Provisional Government," publicly disavowed by his daughter, Miss Wang Cheng-tung, graduate of Yenching University, for traitorous activity against the country. Miss Wang recently arrived at Hongkong on her way to Hankow, where she intends to offer her services to the Government.

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Aug. 28.—U. S. S. **Monocacy**, Yangtsze patrol gunboat, narrowly escaped serious damage, when two mines exploded near the Jetty where the boat was anchored a few miles below Kiukiang. The mines exploded within 80 yards of the **Monocacy** shortly after Japanese mine sweepers had sailed away, indicating they had completed operations in the vicinity of the ship; Lt. Clarence Conlan, Commander, lodged a vigorous protest with Japanese consulate at Kiukiang.

Aug. 28.—Chinese claim successes on north and south banks of Yangtsze; Tsienshan and Taihu, on north bank, said to have been recaptured after five hours of bitter fighting; Chinese columns now advancing toward Anking, Anhwei capital. Japanese drive on south bank said checked west of Juichang.
Southern wall of Luan, northwestern Anhwei, claimed captured by the Japanese. Japanese troops in southwestern Shansi, having captured Puchow, (terminus of Tung-Pu Railway), said pressing toward Fenglingtu on north bank of Yellow River.

Aug. 28.—Following Japanese attack on passenger plane of China National Aviation Corporation, the Eurasia Aviation Corporation, Sino-German concern, announced suspension of air service between Hongkong and Hankow.
Announcement caused surprise because Japanese military spokesmen had issued statements that Eurasia planes would not be attacked.
Shanghai public bodies mourned two bankers, Hsu Sing-loh and Hu Pi-kiang, victions of the ill-fated C.N.A.C. plane "Kweilin," by flying national flags at half-mast.

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Aug. 29.—Heavy fighting at Luan, in northwestern Anhwei, where the Japanese are attempting to enter northeastern Hupeh via Shangchen in order to cut Peiping-Hankow Railway. Chinese communique said Japanese attack on North Gate of Luan repulsed, but the Japanese were holding the blockhouses in the area. Severe hand-to-hand fighting also proceeding at East Gate, which the Japanese are attempting to storm.
After five days' hard fighting, lull prevailed on Juichang front (above Kiukiang).
Susung, another important city on north bank of Yangtsze river, claimed recaptured by the Chinese.
Fall of Chiyuan, on northern bank of Yellow River, opposite Loyang, on Aug. 27, admitted in Hankow.
Japanese claim capture of Hwoshan in mid-western Anhwei. Howshan is located about 35 kilometers south of Luan.

Aug. 29.—Fourteen bodies from the ill-fated C.N.A.C. airplane recovered. Those already identified include,
Hsu Sing-loh,
Hu Pi-kiang,
Wang Wen-lung,
Lu Yi,
Li Teh-ling,
Henry Chung,
Mrs. Li Chai-sung and
Mrs. Sidney Yang.
In addition to the above, all of whom were passengers in the airplane, the bodies of Liu Chung-chan, co-pilot of the machine, and Wu Ching-hua, steward, having also been identified. The majority of the bodies are stated to have borne machine-gun bullet wounds, one body having no less than thirteen wounds.

Aug. 29.—Rumors of split between Kuomintang and Chinese Communist party denied at Hankow. Communist leaders pledge full support to Gen. Chiang Kai-shek.

Aug. 29.—Chinese guerillas active in Peitaiho area; Funing, 12 miles from Paitaiho, said occupied.
Li Fu-ho, commander of pro-Japanese army at Shihchiachwang, allegedly killed by his own men on Aug. 9; more than half of his force have joined the guerillas.

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Aug. 30.—Severe fighting reported on all fronts, extending from north bank of Yellow River in Shansi, through Luan and Hwoshan, in northwestern Anhwei, down to north bank of Yangtsze. Loss admitted in Hankow of Fenglingtu, Yellow River crossing, opposite Tungkwan (Shensi), as well as Luan and Hwoshan. Japanese attacks on Chinese positions west of Juichang and south of Kiukiang and also south of Singtse, said repulsed with heavy casualties.
Chinese troops reported closing in on Huangmei, in northeastern Hupeh, where the Japanese are in danger of being surrounded.
Domei reports that Japanese naval units are nearing Wusueh, 40 miles west of Kiukiang. Wusueh, on north bank of Yangtsze, is strategic point in the defence of Wuhan area.

Aug. 30.—Reported that 8 planes out of a squadron of 12 Japanese bombers shot down at Nambung, 90 miles northeast of Canton, near Kwangtung-Kiangsi border. The raiders were engaged in

combat by 19 Chinese pursuit craft.

Traffic on Canton-Hankow Railway, which was disrupted as result of damage caused to tracks by Japanese air raids, restored since yesterday (Aug. 29).

Peiping-Hankow Railway north of Hankow heavily bombed by Japanese planes; over 1,000 Chinese killed or wounded at Kinshan yesterday morning (Aug. 29), when some 200 bombs dropped on this small town, situated to the northwest of Hankow. Catholic church at Kinshan destroyed during bombing.

Aug. 30.—Chen Yun, pro-Japanese Chinese official who heads the puppet administration at Nantao (Chinese city in Shanghai), seriously wounded by two gunmen in attempted assassination.

Aug. 30.—Two Chinese guerillas, riding bicycles along Hungjao Road early this morning, dashed into airdrome, pulled down the Japanese flag there and then departed. Incident witnessed by foreign residents in Hungjao area.

Aug. 30.—Six coffins, containing bodies of victims of ill-fated C.N.A.C. airliner "Kweilin" shot down by the Japanese on Aug. 24, arrived at Hongkong from Macao yesterday, while three others arrived today. Eurasia plane carrying mail from Hankow arrived at Hongkong safely.

Hongkong Nippo, Japanese daily in Hongkong, admitted that Sun Fo was object of Japanese air attack on Aug. 24, when the C.N.A.C. passenger plane was shot down. "Our wild eagles intended to capture Sun Fo alive," the **Nippo** said.

Aug. 30.—Wang Ching-wei, deputy General Executive of Kuomintang and Chairman of Central Political Council, whose name was linked with rumors of secret peace negotiations with Japan, denied that Italy was mediating in Sino-Japanese dispute. These rumors, he said, were fabricated by "certain quarters" with a view to causing internal dissension in Chinese Government.

Aug. 30.—Seven freight cars wrecked and several sections of track damaged yesterday, when Chinese guerillas exploded a mine under a Japanese train outside west wall of Peiping.

Railway services between Peiping and Shanhaikwan dislocated as result of activities of guerillas, who raided railway in vicinity of Langfeng.

Aug. 31.—Sanguinary fighting continued on both banks of Yangtsze. Japanese attacks on Chinese positions two miles west of Juichang and also on Kiukiang-Nanchang Railway south of Kiukiang claimed to have been repulsed. In Juichang sector, the Japanese reportedly suffered 2,000 to 3,000 casualties. Severe fighting also in progress in Huangmei. Japanese occupation of Tushancheng, near Hwoshan, (northwestern Anhwei) denied.

Aug. 31.—Replying to America's protest against the attack on the C.N.A.C. plane "Kweilin" by the Japanese, the Japanese Government stated that the attack was "not unwarranted in view of the fact that the machine acted in such a manner as to invite suspicion of being a Chinese military craft."

Col. H. Hamada, director of Japanese Army Press Bureau in Shanghai, warned against using civilian aircraft in flights in war zone in China, "particularly near the Hankow region." He said that consent of Japanese authorities must be obtained before civilian aircraft are allowed to fly in zones of hostilities.

Aug. 31.—Complete occupation of Fenglingtu, on north bank of Yellow River, opposite Tungkwan, claimed by the Japanese yesterday (Aug. 30), according to Japanese report.

Aug. 31.—Railway traffic from Peiping to Shanhaikwan again disrupted, as Chinese guerillas tore up tracks on both sides of Tientsin. Japanese admit guerillas attached to 8th Route Army active in east Hopei area.

Wireless Telephone Service to Be Opened By October

After a test of wireless telephone communication between Shanghai and Tokyo Sept. 10 regular service will be opened by the middle of October at the latest, as the result of rehabilitation work carried out by the Central China Electric Communication Company, according to the *Shanghai Nippo*. The sending office for the present will be established on Linching Road and a receiving office on Kwenming Road in eastern Shanghai. The charge for one conversation, though not definitely fixed, probably will be Yen 7 to Yen 10.

Though transmission is by a two-kilomwatt electric wave for the present, a 10-kilowatt wave will be adopted if the Chenju Wireless Station is restored to its former working order in January of next year, the daily said.

"Freedom of Copyright" Proposed by Japan

At a meeting for a discussion of copyright laws held Tokyo Sept. 9, in the official residence of Home Minister Admiral Nobumasa Suetsugu a draft of a report to be submitted to the interantional convention of the Copyright Commission in Paris next month was adopted unanimously. The report advocates "Freedom of copyright." Reasons for Japan's proposal for freedom of copyright were set forth as follows:

1. That the improvement of human culture can be encouraged by absorbing the cultures of both hemispheres–
2. That international cultural friendship can be improved by understanding other countries by means of reading the literary products of other countries–
3. That the acknowledgement of freedom of copyright would not be detrimental to the interests of the original authors.

Person interested in the matter were considering what attitude legal specialists may take toward Japan's proposal, regardless of whether it will be adopted by the convention.

Embassy Secretary Ordered to China

Torao Kawasak, Embassy First Secretary and Interpreter, has been ordered to a post in China. The nature of the post was not announced by Foreign Office.

China Affairs Bureau Favored by War Office

Officials of the Japanese War office have expressed the opinion informally that the proposed new China Affairs Bureau must a national organ of the goverment under the direct control of Premier Prince Ayamaro Konoye. They declared that the economic affairs now handled by Army authorities should be transferred to the control of the new bureau.

They voiced the opinion that the objective of Japan's military action in China "cannot be attained by military operations alone without coordinated efforts in political, economic and cultural fields for building up a new China."

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Who's Who in China

孔鮮安原名祥鵬

H. O. Kung (Kung Hsiang-O)

H. O. Kung, Electric Engineer; born at Shaho, Hopei, 1897; graduate, Depar ment of Mechanical Engineering, Chihli Technical College in 1922, Tientsin, being contributing editor to the "New Knowledge" supplement of the *Yih Shih Pao* for over a year during his senior year in College; took part in the Student Movement in Tientsin and was frequent contributor to newspapers and periodicals published in Shanghai; went to America in Sept. 1924 and took Electrical Engineering course at Purdue University; received B.S. degree in Electrical Engineering in 1926; post graduate student in Graduate School of Purdue University, Lafayette, Indiana, U. S. A., 1927; Tester in the Test Dept. of the Westinghouse Electric & Manufacturing Co., E. Pittsburgh, Pa., 1927-1928; returned to China in Oct., 1928; Electrical Engineer to the Reconstruction Dept. of Hupeh Provincial Government, supervising field work of long distance telephone in Hupeh; later was Managing Director of Hupeh Provincial Long Distance Telephone Administration, Hankow, 1928-1930; from 1930 to 1931, was Senior Technical Expert in Ministry of Industries, Nanking and later concurrently Superintendent of the Central Industrial Laboratories; promotor and first editor of the *INDUSTRIAL CENTER*, monthly periodical established in 1931; Senior Technical Expert to the Reconstruction Dept., of Hopei Provincial Government up to 1935; Deputy Electrical Engineer to the British Municipal Council, Tientsin, 1935-1936; Lecturer on Electric Railway Engineering at the Hopei Institute of Technology, Tientsin, since 1936; author of "A Brief History of the Steam Engines," "An Introduction to Long Distance Telephone;" Co-editor of the "Encyclopedia For the Youth;" translator of "The Importance of Being Earnest," a comedy by O. Wilde; Editor-in-Chief of "THE INDUSTRIAL WEEKLY" published by the Hopei Institute of Technology, Tientsin; address: Hopei Institute of Technology, Tientsin.

Big Airport in Osaka Nearing Completion

Aerial defenses of the tri-cities of middle Japan, Kyoto, Osaka and Kose, will be strengthened when the second international air field is completed by the end of October. Ground levelling work over the 130 acres of the field having already been finished, two concrete runway, 700 and 800 meters long, will be laid down in the immediate future.

The Aviation Bureau of the Ministry of Communications antocipates that the field will be ready for use by Nov. 1, when Douglas planes flying betwen Japan and Manchuria will land there. Construction of the field was aided by students of secondary schools in and near Osaka and Kobe, who offered Their services without recompense. They were directed by Lieut.-Gen. Hisao Tani, Commander of the Middle Japan Defense Headquarters.

2 Japanese Majors Killed in Honan Battle

Two majors commanding Japanese units which attacked Fukinshan on the western shore of the Shih River in Honan Province were killed in a battle Sept. 7, *Domei* reported. Following the occupation of the southwestern corner of the mountain Sept. 6, Japanese troops continued vigorous attacks on Chinese positions atop the shell-scarred mountain and captured it Sept. 7, Major Kan Mitani, of the Kurabayashi detachment, met death when he was struck by fragments of hand grenades thrown by Chinese hidden in a watch tower. Major Hideji Kawamura, of the Morozumi detachment, was slain by bullets while directing an attack on the 800-meter hill near-by.

New Ship to Operate Between Japan, Shanghai

Faced with a traffic congestion problem on the Japan-Shanghai line, the Nippon Yusen Kaisha has decided to put the s.s. Anyo Maru, 10,000-ton South American liner, in the Yokohama to Shanghai. service Sept. 25, according to the Shanghai Mainichi! The Anyo Maru accommodates 24 first class, 47 second class the 170 third class passengers. The new liner will touch at Kobe and Osaka also. The new liner will touch at Kobe and Osaka also. The new plan of the N.Y.K. will facilitate transportation of freight between Japan and Central China.

Men and Events

Another new gunboat, the Buonburi, built by Japan for the Siamese Government, sailed from Kobe on Sept. 13 for Bangkok.

Renji Kasuya, formerly Consul at Chungking, has been appointed Consul-General at Tientsin. Kimichi Hori, Consul at Tientsin has been appointed Consul-General at Nanking.

The Chinese residents of Kobe, according to *Domei*, have decided to adopt Mandarin as their language and will also use the northern Chinese dialect in their schools in future.

W. B. Courtney of the editorial staff of Collier's Magazine, New York, is visiting in Shanghai. He has been in South China and Hankow and also has traveled in Japan.

According to the *Sin Shun Pao*, Japanese-owned Chinese paper, 44,143 Chinese departed from Hongkong for Siam between April, 1937 and March, 1938.

Miss Hilda L. Hague, member of the Harvard-Yenching Institute at Yenching University, Peiping, was in Shanghai last week on a return trip to Peiping from Yunnanfu.

The German *Transocean* service reported on Sept. 10 that 220 persons were killed and 926 injured as a result of so-called religious disturbances at Rangoon, India between July 26 and August 29.

A number of Russians, resident in Shanghai, who are graduates of Tomsk University of Russia, have published a booklet entitled "The Siberian Day," in commemoration of the 50th anniversary of the founding of the University.

The Manchukuo authorities at Hsinking announced a new set of passport regulations on Sept. 12. All aliens entering the state must now obtain visaes from Manchukuo diplomats or consuls abroad or from the Foreign affairs Commissioner at Dairen.

Dr. Fong Sec, district executive of the International Rotary Clubs, is at the Dah Hua Hospital on Route Portier, suffering from an abdominal ailment. Dr. Fong Sec was for many years head of the English Editorial Department of the Commercial Press.

The *Hwa Mei Wan Pao* reported on Sept. 9 that in the 10 days preceding more than 13,000 Japanese wounded soldiers had sailed from Woosung for Japan and in addition more than 5,000 boxes containing the ashes of dead soldiers were also shipped to Japan from the Yangtsze battlefronts.

Mr. and Mrs. Robert Bellaire were hosts on Thursday, Sept. 8, at cocktails, at their apartment in the Embankment Building, to welcome John R. Morris, general manager of the *United Press*, who has returned to Shanghai from several weeks spent in the United States. Mr. Bellaire is manager of the Shanghai office.

The Japanese Society for International Cultural Relations and the Foreign Office have announced plans for dispatching to Italy and Germany a company of 40 players from the Takaradzuka Girls' Opera Company. In addition there will be ten directors, electricians and wardrobe assistants. The party will leave Yokohama on Oct. 14 and will spend a month each in Germany and Italy.

The Japanese authorities reported on Sept. 10 that 125 Chinese were deported from Siam for attempting to raise funds for the support of the National Government at Hankow. The Japanese also claimed, according to *Domei*, that the Siamese Government had dismissed all Chinese teachers in government schools for circulating anti-Japanese propaganda.

The International Tea Committee in London announced on Sept. 4 that the 5-year tea control plan would assure the recovery of the tea industry and permit relinquishment of the regulations. However, consumption of tea had not been sufficient to permit the raising of the quota beyond the present 87½ percent production. The fifth report of the committee stated that many concerns which were facing ruin were now returning to prosperity.

Dr. A. J. Alves, Consul-General for Portugal, has officially taken over the duties of Chairman of the Shanghai Consular Body, relieving N. Aall, Consul-General for Norway, who has held the position since the departure of E. S. Cunningham, American Consul-General. Mr. Aall has been appointed Minister to Brazil and will depart for his new post shortly. O. Kildal has been appointed Norwegian Consul-General in place of Mr. Aall. Mr Aall has served his country as Consul-General here since 1920 and on several occasions has served as Chairman of the Consular Body. From 1927 to 1930 he served as Charge d'Affaires in Peiping.

Some 20 headquarters and regional secretaries of the National Committee, Y. M. C. A., are holding their semi-annual conference in Shanghai this week. The chief object is to sum up the work for the past year and discuss policies for the future. The meetings are being held at the Y. M. C. A. apartments on Route Winling. The visiting secretaries include, Lawrence Todnem from Peiping, G. G. Helde from Changsha, W. R. Stewart from Tsingtao, E. H. Munson of the headquarters staff who is also in charge of the South China region. R. D. Arnhold who is proceeding shortly to the new Yunnan-Kweichow region, and E. A. Turner of Hangchow.

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HANGCHOW	*Santu*	Wuhu	Sian	*Wuchang*
Ningpo	CANTON	Anking	*Nancheng*	Changsha

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

Signor Mario Lualdi, representative of the newspaper *La Stampa* at Turin, will pilot an Italian airplane on a goodwill flight to Japan in the first week in November. Other members of the crew will be Signor Guiseppe Mazzetti, wireless operator; Silvio Pinna, mechanic and Guellino Guellini. The Japanese Government has granted permission for the plane to fly over Japanese territory.

Four German youths, whose names were not given in the *Transocean* report, were arrested on Tuesday, Sept. 6, at the village of Shataukok on the border between Kowloon and Chinese territory, by the Chinese civil guards. They were accused of taking photgraphs in violation of the Chinese regulations. The boys were finally released as result of a protest by Dr. Altenbury, the German Consul-General at Canton. They returned to Hongkong on Sept. 10.

This is the open season for gifts in Tokyo. According to the *Asahi*, Sakutaro Asahina, head of a delegation of Japanese boys now traveling in Germany, was presented with a "Hitler Jugend Dagger" by Reichsfuehrer Hitler. According to *Domei*, the Japanese Society for Friendship Between Japan, Italy, Germany and Manchukuo, presented a "warrior doll" to Senor Francisco Jose del Castillo, representative in Tokyo for Gen. Franco's Spain, while Senora Del Castillo was presented with a "dancing doll." A further report from Tokyo on Sept 14 said that two rows of cherry trees recently planted on the banks of the Tama River, near Tokyo, have been named in honor of Hitler and Mussolini and are expected to "blossom side by side next spring."

The Japanese *Domei* service, on Sept. 12, issued a report, similar to one issued several days earlier by the German *Transocean* service, that the American aviator, Col. Charles Lindbergh, had become an adviser to the Soviet Government. It was stated that the Soviets are planning a 3-year reconstruction of the Soviet airforce. The program will include mass production of a new-type plane, establishment of new airbases, strengthening of air defenses along frontiers and in vicinity of industrial bases. The Soviet airforce is to be divided in five districts, Baltic, Western, Black Sea, Turkestan and Siberia.

Prof. Frank L. Martin, Dean of the School of Journalism of the University of Missouri, who has been seriously ill for several months suffering from pleurisy, has resumed his duties. Roscoe B. Ellard, acting dean in the absence of Prof. Martin, has gone on vacation. Prof. Martin is well known in China through his connection with the Yenching-Missouri Institute, a cooperative arrangement between Yenching University at Peiping and the School of Journalism of the University of Missouri. Prof. Martin has traveled frequently in the Far East and for a year served as exchange professor at Yenching.

The British Universities Society of China will hold a garden party on the campus of St. John's University, on Saturday, Sept. 17. The guest of honor will be Sir Archibald Clark Kerr and Lady Clark Kerr. Other official guest will be, Sir Herbert and Lady Phillips, Sir Robert and Lady Calder Marshall, Commander Edwards Resident Naval Officer, and Mrs. Edwards, Captain Sandforth of H. M. S. Suffolk, Major-General and Mrs. Telfer Smolett, Col. Grey Wilson, Major Heslop and Major G. Rogers, Durham Light Infantry, Lt.-Col. and Mrs. Wolfe Murray, Seaforth Highlanders, Mr. and Mrs. A. C. Cornish representing the American University Club, Bishop and Mrs. Roberts, Mr. and Mrs. C. S. Franklin, Brig.-Gen. and Mrs. Macnaghten, R. G. MacDonald.

Pope Receives Mission From Manchukuo and Message from Pu-Yi

The Pope officially received at the Vatican on Sept. 10, a mission from the puppet state of Manchukuo which carried a message of greeting from Kang Teh, Emperor. According to a *Havas* report, His Holiness expressed joy at receiving the mission "from a land where Catholic missions were flourishing." He replied to the greeting of the Mission by declaring, "May Almighty God bless Manchukuo. . .We have large religious interests in Manchukuo and the Emperor may rely upon our cooperation in the development of direct relation betwen the Holy See and Manchukuo and for the development and welfare of his country." In conclusion the Pope announced that the would send Kang Teh a gold medal which is cast annually for the celebration of the Pontificate. The Manchukuo Mission was also received by Cardinal Pacelli, Papal Secretary of State.

Large Film Company to Open Office Here

Capitalized at $2,000,000, a large film company will be inaugurated in China in the near future, Domei reported this week. The company is jointly organized by Chinese and Japanese interests.

The "Reformed Government" will subscribe $700,000 of the company's capital, the "Provisional Government "in Peiping, $250-000, while Japan and the Manchoukuo Government will each subscribe $500,000.

With one office in Shanghai and another office in Peiping, the company will establish studios in six cities. The company also plans to import films from Japan, Germany and the United States.

New Books of Interest in the Far East

The "Real" Aryans

"Aryans in the East" By Jan M. Kasim 91 pages. Boston Meador Publishing Co.

If and when an immature mind blunders into taking racial prejudice seriously, disaster is bound to arise. It has arisen and the result is a most amazing little book: "Aryans in the East". The aim of the author who, incidentally, has the naivite to describe himself as "non-partisan" is to prove "that the real Aryans are the Afghans, and Afghanistan is the only country from which the white race has developed and scattered over the world. " Preface. Fundamentally, the attitude of the author seems to be that it is bad to be "non-Aryan" and good to be "Aryan", whatever that may be. If this be so, the Afghans should of course not be slow to raise their claims which presumably are as good as those of anybody else. Personally, I have not yet had the honor to meet an Afghan and I imagine that they are pretty much like the rest of us. So why shouldn't they call themselves "Aryan" if it gives them pleasure?

The method by which the author tries to prove his thesis is unique, to say the least. "In prehistoric times, Aryans or the forefathers of the white race, were living in Central Asia or Afghanistan... Being too large a population for so small an area, in 3000 B.C. they scattered all over Europe and other countries." So that is how it happened! Take it or leave it, it is really as simple as that. The language of some of these Aryans, the author assures us, "was Aria", to continue in the next sentence: "Further information about their language is not exactly known". This alone, or course, proves conclusively that it can only have been "Aria".

The Afghans, "at the beginnin of the Sasaniang government", "were the most advanced nation in the world." (pag. 30) Whether or not this modest claim involves that this is still the case, the author leaves to the reader's imagination.

Most of the space is taken up by some kind of rather erratic Afghan history. A few excerpts will cast light on the mentality of the author, though they will hardly enlighten the reader as to the subject-matter. "The Tartars destroyed famous afghan cities and monuments . . . It can be truly stated that if the Afghan chiefs were present at that time and if the Afghans were free, they would have stopped the Tartars' bloody attacks and total destruction which ruined the eastern civilized countries." "The individuality of Changaiz Khan" (meaning Ghengis Khan, reviewer) "is so well known that I have no need to explain his personal habits." Thus we are cheated out of a few more priceless remarks.

"In the 13th century, as I have said, the Afghan chieftains with their armies succeeded in conquering India; therefore the official affairs of the Afghan nation were carried on by the Goorian Dynasty. After the reign of Shah Alauddin this dynasty grew very weak due to their lack of power to resist the attacks of Alauddin of Kharazm on Afghanistan, and Khurusan in 1210." The dynasty grew weak it lacked strength, which is certainly a very good reason.

"The golden coin of the King "Yoograteedees the II" which was twenty times heavier than that of the Greeks and Persians weighed 1,680.5 grams which groves that Afghanistan was the wealthiest country in the world."

As these samples show, the reason why the author has joined the camp of those who judge a person not on his own merits, but according to his racial affiliations, is fairly obvious. If we judge others by their merits, we are forced to acquire some merit ourselves. Certain individuals, however, are constitutionally unfit to do so. In order to make up for the deficiency, they are usually able to prove that they belong to the only worthwhile race in the world. The laurels which the real or imaginary forefathers are alleged to have earned, are supposed to last for a few thousand generations and a grateful world is expected to smooth the path for the great-great-great-grandsons of the one time great.

A.

What League is Doing

STATISTICAL YEARBOOK OF THE LEAGUE OF NATIONS, 1937/38. Paper, 10/, cloth 12/6. Agents in China, Commercial Press, Ltd. 336 pages.

The new issue of the League of Nations Yearbook contains, as usual, an international synopsis of matters demographic, economic, financial and social.

Important new material is given in all sections, and especially on age structure, fertility, net rates of reproduction and expectation of life. Mortality has fallen sharply in this generation, as has fertility in almost all countries. New tables on alcohol and the production of sulphuric acid are interesting as an indication of industrial activity.

The left column of each page or side of table is in French, the right column or side of table is in English.

M. V.

Japan's Hegemony Drive

China and World War. By Thomas Edward LaFargue. Hoover War Library Publications—No. 12. Stanford University Press; 1397 : x, 287 pp. U.S.$3.25.

The outbreak of the World War in 1914 proved opportune for Japan in two ways. At last she could even the score with Germany, whose "Unjustifiable" intervention with Russia and France to wrest from Japan the fruits of victory after the Sino-Japanese war had rankled and not been forgotten. Tsingtao and all other German interests in the Far East could be liquidated. These German interests could pass into the hands of Japan and strengthen the position of the Island Empire in relation to her large neighbor China. Though Japan had joined the ranks of the Great Powers as a result of her alliance with Great Britain in 1902 and her victory over Russia in 1905, her position in China prior to 1914 was distinctly inferior to that of several European countries and America, simply because her financial weakness prevented her from competing successfully in the battle for concessions.

Anyone interested in what is going on in the Far East today will find Mr. LaFargue's book a timely contribution which summarizes clearly the preceding stage in Japan's drive for hegemony in this part of the world. Just as more recently Japan has used the occasion when crises troubled Europe to extend forcibly her political and economic interests on the mainland of East Asia, so in early 1915 she presented the "Twenty-one Demands" to China. Though not all these were obtained, they indicate the essential aims toward which the Japanese have directed their efforts, leaving aside the comparatively peaceful first decade of the post-war period. Now while her troops are seeking to penetrate further the Yangtsze valley, one can notice significantly enough that the third section of the "demands" concerned control over the large and important coal and iron properties of the Han Yeh Ping Company.

The capture of Tsingtao from the Germans in 1914, the presentation of the "Twenty-one Demands", and the Shantung question at the Paris Peace Conference are the main topics treated by the author. A good deal of investigation has been done previously into various aspects of China's history during the World War to which this book adds little, but its real service consists in presenting a connected story of the important events during the whole period. Further, the author attempts to show the relation between Chinese internal political conditions and international diplomacy. Why, for example, did China join the Allied powers in a war for which she had little enthusiasm and in spite of the fact that Chinese public opinion was inclined to sympathize with Germany and expect German success? Why did the military clique in Peking, pretty much dependent on the Japanese, send to the Peace Conference a delegation of idealists who were defiant towards Japan? Answers to such questions are to be found to a large extent in China's factional strife.

However the author, though devoting considerable attention to internal political developments, uses almost entirely readily accessible European and American sources. More than on anything else he relies on the dispatches of the American Minister Reinsch to the State Department in Washington for his information about the internecine struggles which characterized this whole period in China. As so many writers on Oriental subjects, and especially the case in diplomatic history, he has made no use of any material in Oriental languages, with the single exception of the Japanese

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(中國評論週報)

桂中樞 C. S. Kwei, *Editor* | 朱少屏 P. K. Chu, *Business Manager*

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biography of Count Kato Takaaki Den, minister of Foreign Affairs at the time of the "Twenty-one Demands".

The book has appended several important documents concerning the "Twenty-one Demands" and the Shantung question, which, however, and easily available elsewhere. The bibliography is brief, and the index lacking somewhat in thoroughness. An improvement would be better maps; one of the two included (p.2) is so indistinct that it is of little value.

Dealing with a controversial subject, the author has tried "to correct the errors and distortions with which a too facile journalism has surrounded these events", and on the whole he has steered a course free from bias. But some readers undoubtedly will not agree with all his conclusions. His view that the first Chinese response went a long way towards meeting what the Japanese desired in the "Twenty-one Demands" does not seem to show an appreciation of the different positions of the two countries. Some may not share his belief that it would have been more fortunate for China if her representatives at the Peace Conference had been less filled with Wilsonian idealism and had shown a more realistic understanding of the war-time treaty obligations which bound the allied statesmen to accept the Japanese plan for the disposal of the former German interests in Shantung. B. D. C.

Australian Viewpoint

THE AUSTRAL-ASIATIC BULLETIN, June-July, 1938. 1/

The China reader of the AUSTRAL-ASIATIC BULLETIN of the Australian Institute of International Affairs will be interested in the articles by Gunther Stein (What Japan Thinks To-day), W.V. Pennell (The War of Endurance in China), and Wilbur Burton (Siam in Japans' Course of Empire), which have been reprinted in The WEEKLY REVIEW. There is also a critical analysis of Australia's defence policy, as well as pertinent comment on the Sydney scrap iron boycott and reconstruction in the Pacific region.

A China Pioneer

TSO TSUNG T'ANG, pioneer promoter of the modern dockyard and the woollen mill in China, by Gideon Chen, Yenching University. Agent, Mr. Henri Vetch, French Bookstore, Peiping. $1.50.

This is the third monograph on pioneer promoters of modern industrial technique in China, prepared by Prof. Gideon Chen of Yenching University, in which he advances the thesis that Chinese efforts to modernize the country by purchasing and imitating foreign mechanical inventions in the 19th. century passed away without leaving any deep and far-reaching effects on the national life as a whole. The first two were on Lin Tse-hsu, advocate of maritime defence, and Tseng Kuo-fan, promoter of the steamship in China.

The thesis is advanced that Tso Tsung-t'ang was greatly influenced in his ideas by Lin Tse-hsu, so that when he became viceroy in Fukien he memorialized the throne to be allowed to build the Foochow Arsenal. His object was more to establish a modern dockyard, than an arms and ammunition factory. After a few years he was transferred the Northwest to fight the Mohammedans. At Lanchow he established an arsenal, a woollen mill and a mint. In Foochow Tso had employed French experts; in Lanchow he hired a number of German mechanics and weavers. Permission to build the Arsenal was in 1866. The mill was built in 1880.

The author's conclusions speak for themselves: "The Foochow Arsenal has had no effect on the modernization of the economic life of the surrounding district." "The Lanchow Woollen Mill, though not in operation at the present time, was planted as a part of a general scheme for economic reform in a remote region of China which region the Chinese people as a whole have never seriously considered until recently." M. V.

Japanese Say They Will Not Stop After Capturing Hankow

"Even after we have captured the Wuhan area we shall never stop fighting, but go on until we reach the final objective of the campaign with the iron-willed co-operation of the entire Japanese nation," a spokesman of the Japanese Expeditionary Force in Central China declared in Nanking last week.

"Since the capture of Hsuchow the Japanese forces have concentrated their efforts on the drive to the Wuhan area, as is well known. The Army went through Anhwei and part of the troops entered Hupeh. South of the Yangtze they advanced deep into Kiangsi.

"Turning our eyes farther north, we see that the Japanese forces in North China, having finished their mopping-up operations north of the Yellow River, are now awaiting their opportunity to cross over the great water-way. Nearer south, the Japanese naval forces, under the shadow of Lushan, are controlling the Yangtsze River. Thus the Wuhan tri-cities are in a very precarious position.

"In order to maintain their prestige as a central authority in the heart of China, Gen. Chiang Kai-shek and his party have been making desperate efforts to hold the Wuhan area. To attain that end they were so unscrupulous as to breach the Yellow River and recruit untrained youths for the defense of the area, and the strength of the forces they have massed is over 90 divisions, about 700,000 strong, which is over 20 divisions stronger than the Chinese forces at the time of the Hsuchow battle.

Say Chinese morale Low

"It is true that not only the Tapieh, Mufou and Chiuling mountains, but numerous marshes and lakes form favorable defense positions for the Chinese, as was boasted of by Chiang Kai-shek himself. But the morale of these Chinese forces which defend these positions has been affected adversely since the defeat at Hsuchow and a series of similar defeats since then has almost entirely killed their fighting spirit. This is the reason why Chiang Kai-shek and his party are keeping their troops at the fronts by means of severe punishment and rigid supervision exercised upon them whenever they falter before the Japanese.

"In order to gloss over these conditions the Chiang regime is busy sending out fabrications, deserving only laughter, for the purpose of encouraging the Chinese troops and winning the sympathy of third Powers. With the sweltering summer gone and cool autumn here the Japanese officers and men are in high spirits, as if they had already captured the Wuhan area. Knowing that the Chinese would not be able to halt the Japanese attacks, Chiang Kai-shek is talking as if the Wuhan area were not so important, as is generally supposed, so that even after the fall of the area he may still maintain the spirit of protracted resistance among the Chinese masses.

"But there is no glossing over the actual importance of the Wuhan area as a political and economic center of China, and the great strength they have amassed for the defense of the area is nothing but evidence of the real opinion of Chiang Kai-shek and his clique.

"Though we Japanese also recognize the importance of the Wuhan area, we shall never stop at its capture."

Sino-Japanese Cultural Movement Said Gaining

A Sino-Japanese cultural co-operation movement under way in China is gaining many followers, Count Tadamasa Sakai, member of the House of Peers, declared in Moji last week on his arrival from Peiping.

"Many persons in China are recognizing the mistake of having forgotten China's own culture while relying only upon that of European countries, "he deglared. "These educated persons are supporting a movement to build up Eastern culture under the leadership of Japan after adopting the best features of the cultures of both hemispheres."

Count Sakai went to Peiping to attend the inaugural meeting of the Sino-Japanese Cultural Council which was estarlished to promote co-operation between Japanese and Chinese.

Diplomatic Advisory System Ok'd in Tokyo

Following approval by the Cabinet of a diplomatic advisory system, a formal statement was to be issued Sept. 10 subject to imperial sanction, according to a communique given out by the Bureau of Information of the Foreign Office. The appointment of two of two of the three diplomatic advisers, Naotake Sato and Hachiro Arita, both former Ministers of Foreign Affairs, was being Considered.

The new system is the result of the efforts of the Government to leave nothing undone in diplomatic affairs as they relate to the China hostilities. The advisers will be attached to the Ministry of Foreign Affairs. Observers stated that Premier Prince Ayamaro Konoye, by establishing a Foreign Ministry "brain trust," is seeking to make diplomatic machinery run more smoothly to cope with delicate international affairs.

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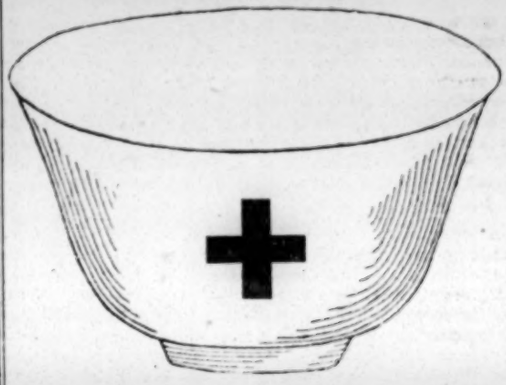

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2. each woman should get 5 bowls, or 28 ounces of food per day.
3. each child should get 3 bowls, or 16 ounces of food per day.
4. invalids and babies are included in the census report and therefore their food can be used to supplement nursing mothers and pregnant women.

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